Good Morning, Brussels

Columns in Brussels Morning

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Russia and Its Allies Abuse the Interpol, Extradition: A Possible Way Out

By: Sam Vaknin, Brussels Morning

The proposal by the UK and Ukraine to suspend Russia or even expel it from Interpol was met with opposition by east and west alike and for good reason: Russia is critical in the fight against transnational crime.

Still, Russian diffusion requests are now first scrutinized by Interpol's HQ in Lyon, a procedure normally reserved only for Red Notices.

Russia and its allies, like Kazakhstan, are notorious for abusing Interpol and, more generally, international law enforcement cooperation and treaties. They leverage these goodwill instruments to snag dissidents on the run, settle scores with adversaries, or send a chilling signal to would be opponents and critics. Family members are also targeted, no one is exempt or spared.

Russia and its ilk are not loth to fabricate "evidence", replete with faked documents and false witnesses (e.g., the Peevski "murder" case in an extradition request filed with Bulgaria in 2014).

The invasion of Ukraine and the assassination attempt of Alexei Navalny, the prominent Russian opposition figure, cast Russia's growing thuggishness and rampant lawlessness in stark relief. The murderous kleptocracy that took over the state is hellbent on egregiously misusing the country's access to the international system of crimefighting.

Extraditing to Russia anyone who has voiced anti-Kremlin and pro-peace opinions amounts to sending them back into a hellish system of certain torture and, possibly, worse.

In a slew of recent cases in various EU countries and in the UK, extradition was denied citing the following reasons:

1. Significant ongoing problem with the independence of the judiciary – both lawyers and judges - in Russia (as per the report by the UN Special Rapporteur);
2. Abysmal conditions of detention in the Russian Federation;
3. Recurrent and systemic breaches of articles 3,5,6, and 13 of the European Convention of Human Right (ECHR), article 22 of the UN Convention Against Torture, and article 3(2) of the European Convention on Extradition: degrading and inhumane treatment in Russian detention centres and prisons and the likely denial of a fair trial;
4. Russia does not respect warranties and guarantees that it provides regarding the rights of extradees and refuses to allow independent monitoring of its adherence to such assurances;
5. Russia ignores rulings by the European Court of Human Rights and is no longer a member of the Council of Europe, having been effectively expelled in March 2022, following its aggression against Ukraine.

6. Russia announced its intention to denounce the European Convention of Human Rights and to reintroduce the death penalty.

Russia's botched transition to "capitalism" helped enrich and empower Russian criminals. They formed networks throughout the industrialized, developed West, including in the USA, EU, and UK. Interpol, Europol, and extraditions are foundational tools in the never-ending fight against transnational crime. It is a crying shame that Russia and its allies have tainted these instruments to the point of rendering them dysfunctional.

One possible solution would be the creation of a specialized ad hoc and ad interim body at least for the duration of the war in Ukraine. This institution will comprise representatives from Russia and from the West.

The remit of such an organ would be to review Russian cases before they are transformed into diffusion requests, red notices, or extradition requests.

The seal of approval of such a committee is likely to facilitate the apprehension of real criminals by providing courts outside the Russian Federation with an opinion that is unbiased regarding the merits of cases: prima facie evidence as well as compliance with international treaties (such as the ECHR).

Russia, on its part, should consent to international monitoring of its detention facilities, judicial processes, and police procedures. This is the only way to make sure that it keeps it word when it vows to abstain from political prosecutions, inhumane and degrading treatment, and torture.

In due time, hopefully, Russia could reintegrate with the international community and the European family. But, until that time comes, we cannot and should not suspend the war on crime.

Sam Vaknin, Ph.D. is a former economic advisor to governments (Nigeria, Sierra Leone, North Macedonia), served as the editor in chief of "Global Politician" and as a columnist in various print and international media including "Central Europe Review" and United Press International (UPI). He taught psychology and finance in various academic institutions in several countries (http://www.narcissistic-abuse.com/cv.html)

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Ukraine's PTSD Epidemic: Time to Prepare is NOW

By: Sam Vaknin, Brussels Morning

The world – and more particularly, Europe - need to prepare for a tsunami of mental health issues in Ukraine, most notably of acute stress reaction such as Post-traumatic Stress Disorder (PTSD) as well as complex trauma (cPTSD). It is safe to assume that at the very least 3 million people, including 1 million children, will be affected.

The war is internecine: there are many mixed marriages between Ukrainians and Russians, an intertwined history, and Cain and Abel-like sibling rivalry. The wanton brutality and barbarity of this total war have been disorienting, shocking, and unexpected, exceeding even the Yugoslav wars of succession.

Women were raped, volunteer soldiers were shell-shocked, children orphaned, 16 million people – 40% of the population – were or are dislocated as refugees or internally displaced persons (IDPs). In magnitude, this is comparable only to the civil war Syria.

Trauma is a systemic affliction. It affects every human function: cognition, the ability to communicate, to trust others, to maintain a positive self-perception, to believe in a better future (to not catastrophize), to empathize, to sustain relationships, even to sleep. Suicidal ideation is common in trauma survivors and so is suicide (around 4-6% of those affected). It is a health emergency.

Trauma also causes a host of symptoms such as intrusive thoughts, rumination, flashbacks, nightmares, anxiety, aggression, emotional numbing (reduced affect display), and depression. Those touched by trauma develop dysfunctional coping behaviors such as substance abuse, truancy, delinquency, or inability to hold a job or to maintain a marriage. Trauma lasts months, even years.

The traumatic reaction can be delayed: it is a slow acting poison. In children, it affects personal development. Most personality disorders, for example, are attributed to adverse childhood experiences (ACE). Antisocial behavior in later life is also more common in children who have endured traumatic events.

This calls for a plan of action and we are already a year too late. We need to start to work on it now, in collaboration with the authorities in Kyiv and the Ukrainian community of mental health practitioners.

Yet, Ukraine does not have the requisite number of therapists, psychologists, and psychiatrists that is required to cope with this looming manmade catastrophe. The country needs to make mental health a national priority and involve all its denizens in the effort.

Trauma is a communal event: the social fabric is rent apart. Trauma victims lose their social connections, familiar geography, habits, relative positioning, peers, reference points – in short: their very identity. People are set adrift, plucked out of context.

Ukraine needs to reestablish communities digitally, if not in real life. The WHO guidelines are a good start. The population registry should be leveraged in this process of reconstruction and reconnection of erstwhile neighbors, now dispersed all over Europe. Mental health practitioners will serve as mediators and facilitators of these virtual healing portals.

Some people are resilience leaders: they remain relatively untouched by traumatic events. They need to be identified and recruited to provide the traumatized with the succor that they require in order to recover and, later, heal. The shared harrowing experiences of everyone involved guarantee better outcomes.

Ukraine needs to create a mental health peace corps akin to the international brigades during the Spanish civil war. Volunteers from all over the world with expertise and experience in treating war time trauma among soldiers and in the civilian population will donate their work for a few weeks or months in Ukraine, train and supervise domestic practitioners, and treat people across the language barrier.

Budgets are an issue, of course. Ukraine would require dollops of international aid to mount the war after the war. But neglecting this problem will cost way more in the long run. It makes good economic sense to start to prepare now.

Another conundrum is the absorption capacity of the country: its infrastructure is devastated. An influx of volunteers can stretch local capacities beyond the breaking point. The solution is telehealth and mobile mental health field units. Agility to counter fragility: this should be the motto.

(The author is a former visiting professor of psychology)

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Russia's Useful Fools

By: Sam Vaknin, Brussels Morning

Lenin did not coin the phrase useful idiots, also known as useful fools, but he may well have: Russia in all its permutations has been their main beneficiary. Among the ardent apologetics of the greatest mass murderer of all time, Joseph Stalin, were Bernard Shaw, the Webbs, Pritt (the famous British lawyer), the historians Tawney, Pares, Hill and Deutscher.

Alas, the present time is no exception.

Increasingly, useful fools proliferate in the West: journalists, businessmen, public intellectuals, academics, politicians, conspiracy theorists, and lobbyists, some of whom I assume are well-paid from the coffers of the Kremlin, some are just naïve, and others are merely self-loathing paranoids.

In an age of truthersim, alternative "facts", and fake news, Russia thrives. It has literally been the breeding ground of counterfactual propaganda since the 1920s, emulated by the likes of Nazi Germany.

Russia's attempts to interfere with elections in the West by leveraging social media platforms is a tocsin. On YouTube, Russia surfs the murky waves of defiant anti-elitism, nescient anti-intellectualism, Western self-hatred, and contumacious anti-establishment. Search YouTube for "Russia Ukraine" for evidence of this reactance.

The principle of free speech enshrined in the ethos of the West plays into the hands of criminalized dictatorships like Russia's. In the age of leveraged anarchic technologies it requires a major re-think.

We need to begin to ban and suppress certain kinds of counterfactual speech. This is not as controversial as it sounds. We already disallow hate speech, holocaust denial, incitement to violence, and anti-vaxxing. We need to add to this list: lies, conspiracy theories, claims which are not independently verified, and scams.

Social media networks already have in place self-policing and censorship tools, but these are blunt and capricious. With the proliferation of bots and artificial intelligence chat agents, Russian disinformation is poised to explode in both scope and quality.

The West's useful fools are vectors of such intellectual despoiling. Their critical thinking suspended, they disseminate conspiratorial anti-Western and anti-elitist narratives which cater to the basest proclivities of the less educated, the disenfranchised, and the impoverished.

In the information wars, unbridled free speech is a dangerous vulnerability. There is no palatable middle ground: sacrificing liberalism for the sake of survival or triumph is its own defeat. Nor should we hand over the vetting of speech acts to governments or states. Self-regulation by high-tech behemoths has proven to be lacking. Crowdsourced, grassroots vigilance is too cumbersome and contentious by half (witness the flame wars on Wikipedia).

One possible solution is mandatory digital identities, preferably reliant on blockchain distributed computing ledger technologies. NFT (non-fungible tokens) are an illustration of

such a mechanism. To post online, one would need to secure a digital identity NFT, replete with a history of prior utterances.
Such piercing of the veil of anonymity will eliminate bots and similar contraptions. It will also hold to account human interlocutors. It is likely to render textual intercourse more civil and more factual as well as embed it in the wider context of a thread.

Any attempt to prevaricate or mislead should result in the time-limited suspension or even permanent revocation of one's personal identity (similar to today's banning on traditional social media such as Twitter and Facebook). Such nuclear sanction is bound to focus the minds of would be abusers of the system.

Great care should be taken to distinguish malicious agitprop from legitimate differences of opinion. The former invariably involves deception, the latter none. We would need to create an international fact-checking repository to tell them apart: Wikipedia is a good start, augmented by the likes of the Encyclopedia Britannica.

Attempts to manipulate the system are guaranteed: anything from hacking to deepfaking. The repository would have to be protected and impermeable to such intrusions and incursions. We would need to strike a delicate balance between transparency of content and opaqueness of infrastructure.

Such an undertaking is possibly the most urgent task of our times. We are overwhelmed by conniving falsehoods. The very boundary between the real and the fantastic are blurred. We need to emerge from the Platonic caves of our silos to the disinfecting sunshine of reality. The alternative is too harrowing to contemplate.

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Why EU Should Ban ChatGPT

By: Sam Vaknin, Brussels Morning

ChatGPT is a generative artificial intelligence agent that is based on a large language model (LLM) and is able to convincingly emulate human discourse to the point of passing the Turing test (becoming indistinguishable from human sentience).

Access to ChatGPT is public (subject to free registration). It integrates with the Internet via a plug-in. Leading search engines such as Google and Bing have added it to their offerings, giving their users the distinct impression that it is just another way of providing reliable answers to their search queries.

ChatGPT is likely to dominate search engines soon for three reasons:

1. Its output is in the form of digestible, bitsize text capsules, eliminating the tedium of having to scroll through dozens of search results and having to click on the links;

2. It appeals to authority by expressly claiming to have access to billions of documents; and

3. Text is always perceived as way more definitive than visuals or audio.

Should this transpire, it would portend an ominous scenario. ChatGPT gets its answers wrong more often than not and when it does not know the answer, it "hallucinates": confabulates on the fly. In short: it lies very often and then grandiosely refuses to back down.

The makers of this monstrosity claim that it is in counterfactual error only "occasionally". That is untrue. Even the most friendly research estimates are that it hallucinates about 20% of the time. The real figure is way higher.

Recently, Geoffrey Hinton, the AI pioneer, has confirmed this risk posed by ChatGPT in a wide-ranging interview following his resignation from Google. He warned against imminently being swamped with fake information, false news and images, and of being unable to tell true from false.

Moreover: phrase the same query differently and you are bound to obtain an utterly disparate response from ChatGPT!

I posed 55 factual questions about myself to ChatGPT. My questions revolved around facts, not opinions or controversies: where was I born, where do I reside, who is my sister, these kinds of basic data.

The correct answers to all my questions are easily found online in sources like Wikipedia, my own websites, interviews in the media, and social media. One click of a button is all it takes.

ChatGPT got 6 answers right, 12 answers partly right, and a whopping 37 answers disastrously wrong.

It was terrifying to behold how ChatGPT weaves complete detailed fabrications about my life, replete with names of people I have never even heard of and with wrong dates and places added to the mix to create an appearance of absolute conviction and authority!

This is way more dangerous than all the fake news, disinformation, and conspiracy theories combined because ChatGPT is erroneously perceived by the wider public as objective and factual - when it is neither, not by a long shot.

The EU needs to adopt urgent steps to stem this lurid tide before ChatGPT becomes an entrenched phenomenon, especially among users who are gullible, ill-educated, young, or conspiracy-minded:

1. If the creators of ChatGPT continue to refuse to fess up to the abysmal rate of correct answers afforded by their prematurely unleashed contraption, they should be made amenable to defamation and libel laws;
2. The makers of ChatGPT should be compelled to publish timely and comprehensive statistics about usage and veracity rates; and
3. ChatGPT is an ongoing research project. It should be banned from the public sphere and from search engines.

More generally, the EU should tackle the emerging technologies of artificial intelligence and their ineluctable impacts on the job markets, education, activism, and the very social fabric. Legal and regulatory frameworks should be in place when the inevitable encounter between man and machine takes shape.

AI is a great promise. But it must be regarded with the same wariness that that we accord technologies like cloning or genome (gene) editing.

Rigorous regulation should prohibit any deployment of AI applications unless and until they have reached a level of stability, fidelity, and maturity tested in laboratories over many years in the equivalent of the rigorous clinical trials that we insist on in the pharmaceutical industry.

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The Future of OSCE: Six Pillars

By: Sam Vaknin, Brussels Morning

The Organisation for Security and Cooperation in Europe (OSCE) has been in the throes of an existential crisis at least since 2021, when member states failed to agree on a budget. Trust has been further eroded following Russia's invasion of Ukraine.

OSCE is currently helmed by the well-educated and articulate Minister of Foreign Affairs of North Macedonia, Bujar Osmani, as its Chairman. But, the organisation is so crippled that it cannot even agree on Osmani's successor in 2024.

OSCE membership includes every stakeholder in Europe, including the USA, Canada, and Russia, one of its founders.

Initially, Osmani aimed to navigate this unwieldy group through a period of "reflection" about its foundational values and purpose. Putin's aggression put paid to that.

Now, the goals are more modest, though no less laudable: exporting North Macedonia's successful model of ethnic co-existence to other problem areas such as Moldova, Bonsia-Herzegovina, and Armenia and Azerbaijan.

Osmani himself is uniquely qualified to do exactly that: he is a member of the Albanian minority in North Macedonia and has witnessed the strife between the Albanians and the Macedonians in decades past. Now, pacified, partly due to the efforts of OSCE's historical first mission on the ground, the tiny country (1.9 million citizens) has something to offer to the rest of the world.

Yet, OSCE's mission does require a substantive overhaul in at least six areas of functionality, six signature initiatives, or "Six Pillars".

1. OSCE needs to counter threats to democracy posed by social media algorithms, conspiracy theories, artificial intelligence, deepfakes, and fake news.

OSCE should build and provide expertise in these areas to member countries. The integrity of elections as well as the mindset of electorates are at stake. A population poisoned by misinformation and disinformation is incapable of rational politics.

2. OSCE needs to highlight, name, and shame culprits when it comes to the subversion of human rights. In virtually all its member states, from the USA to Hungary, a trade-off between human rights and other goods has become the norm. People willingly surrender their privileges in order to hark back to traditional values, feel safer, guarantee prosperity, or fend off real and imagined menace.

3. OSCE needs to identify and sound the alarm regarding the incremental or aggressive undermining of freedom of the media and free speech. Market failures in this field (media deserts) should be remedied at the state level. Media entrepreneurship and competition should be encouraged. Media convergence should be allowed only while preserving a plurality of

voices. Monopolies – including the hi-tech behemoths which control search engines, LLM chat bots, and social media – should be dismantled.

4. Around the globe, there is a virulent backlash against minority rights and protections, immigrants, and foreigners. Xenophobia colludes with racism and hate speech to erode basic human and institutional solidarity.

OSCE should position itself on the frontlines of this war. As a consensus-based group which incorporates multiple cultures and societies, it should strive to offer an example of tolerance, compromise, and acceptance of the Other.

5. OSCE should shift its focus to conflict prevention rather than conflict resolution, with emphases on root causes of conflicts, such as debilitating poverty, a lack of education, overpopulation, discrimination against women, and a deteriorating physical and biological environment, replete with increasing scarcity of resources such as arable land and water.

Conflict resolution is always too late and often either unsuccessful or devolves into a drawn-out, resource-depleting endeavor.

6. Finally, OSCE should launch a campaign among its members in an attempt to broad the definition of terrorism to include domestic terrorism. Most terrorism acts are domestic, not international and yet the outdated focus is still on the global, transnational variety.

OSCE's very relevance is at stake. Many of its efforts and programs are replicated by other multinationals. Its contribution to the security of the northern hemisphere is far from ascertained in a post-Ukraine world and with NATO evolving from a mere defense treaty into an arbiter of war, peace, and human rights. The United Nations maintains peacekeeping operations. Interpol and Europol fight international crime, terrorism included. What for OSCE?

OSCE urgently requires a facelift and some brand differentiation lest it is rendered obsolete and extinct. It very consensus-based decision process needs to be redesigned or possibly reconsidered and its decision-making streamlined and revamped. It is a fight for its survival, but, to its detriment, OSCE is complacently treating it as if it were a mere budgetary-administrative bump in the road.

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European Banking Union in Crisis: Why EDIS is a Bad Idea

By: Sam Vaknin, Brussels Morning

Banks are the most unsafe institutions in the world. Worldwide, hundreds of them crash every few years. That banks are very risky is proven by the inordinate number of regulatory bodies which supervise banks and their activities.

As far as banking goes, the European Union is a heterogenous area with weaker, more vulnerable financial systems in the south and east. Introducing a European Insurance Deposit Insurance Scheme (EDIS) which draws on the national resources of Deposit Guarantee Schemes (DGSs) would penalize countries such as Germany and Austria.

This punitive disparity led to a stalemate. Even as other components of the envisaged European banking union – supervision (SSM) and resolution (SRM), most notably - have fallen into place, EDIS remains controversial.

At the heart of this conundrum is a debate about who should be left holding the can when banks fail: shareholders and creditors – or taxpayers and savers? The EU Commission leans towards the latter, to the evident displeasure of the more liquid, austere, and disciplined member countries.

The European banking union seeks to decouple banking risks from geography. Depositor confidence would no longer reflect the level of trust (or distrust) in local authorities. The EU will become a universal guarantor and shock absorber for banks of all sizes, drawing on the resources of national DGSs.

This would be similar to the situation in federated entities such as the USA, Mexico, or the Russian Federation. But this is a superficial similarity. The EU is not nearly as homogeneous and centrally managed as the USA, either fiscally and monetarily.

Many of the initiatives of the European banking union, such as the sovereign bond-backed securities (SBBS), make eminent sense. But EDIS is an exception: it would have an adverse impact on the risk profile of banks in the EU and create moral hazard in many of its territories, especially in southern and eastern Europe.

Deposit insurance should be an instrument of last resort, after all legal steps have been exhausted to recover funds from shareholders and creditors. Even then, it behooves it to be limited. Every stakeholder in the banking system need to do their due diligence before they plunge into a relationship with a financial institution.

Moreover: deposit insurance ought to reflect local risks and be responsive to idiosyncratic information about the profiles of depositors, lenders, borrowers, and intermediaries.

A Europe wide insurance scheme is liable to foster recklessness and engender deceitful practices in pockets of the industry, among specific types of lenders and borrowers, or at times of bubbly irrational exuberance.

In short: EDIS may boost depositor confidence in the short-term, but as banking crises proliferate, it will come to be seen as liability among the more sober and responsible members of the Union. Such discontent can lead to a serious rupture in the solidarity of the banking sector as reified by institutions such as the ECB, SSM, and SRM.

A better idea would be to group banks by size across the EU and create the EU-wide equivalents of the mutual deposit guarantee schemes among Volkbanks, Sparkassen, and Raiffeisenbanks in Germany and in Austria.

The industry must bear the brunt of its own miscalculations and misconduct. The only way to secure this outcome is to force banks with the same financial profile (e.g., small or medium-sized) across the entire area of the EU to forge together insurance schemes, replete with annual contributions.

These premiums payable by the member financial institutions will be based on the bank's own unique risk profile, the risk profile of the bank's domicile and of the geographical distribution of its operations (credit ratings), and the risk profile of the EU itself, i.e., the market risk (the equivalents of alpha and betas in portfolio management).

The EU-wide schemes will spring into action only when relevant DGSs had failed. At no point will savers, depositors, or taxpayers be asked to foot the bill unless all the insurance schemes have exhausted their combined resources (a highly unlikely event).

Deposit insurance schemes should be allowed to issue and sell bonds (borrow) and to temporarily own equity and debt instruments of failing banks. In short: in some respects, they should function a lot like modern central banks.

EDIS is an antiquated concept which penalizes the virtuous to salvage the profligate and the reckless. This is not right – or sustainable in the long run.

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The Second Iron Curtain

By: Sam Vaknin, Brussels Morning

Joseph Goebbels and the Nazi Foreign Minister Count Schwerin-Krosigk– not Churchill – coined the evocative phrase "iron curtain" in a last ditch attempt to drive a wedge between the allies during World War II.

Today, a second iron curtain has descended between the West and the rest. The overwhelming majority of humanity – and the bulk of the world's GDP – are on one side and beleaguered liberal-democracy is on the other.

This is a startling turn of events. Only 30 years ago, the values of the West were winning everywhere. Communism crumbled like the house of cards that it has always been. What went wrong?

Three things: nationalism, instability, and inequality.

The long-suffering denizens of the USSR and its east European satellites loathed the moribund system they inhabited and sought to undermine it passive-aggressively. Nowadays, the likes of Putin enjoy stratospheric approval ratings among their subjects.

This counterintuitive reversal is due to a rise in the virulent kind of nationalism that we erroneously believed to have been extinct in the wake of Nazi horrors. It is a compensatory variant founded on reactance: defiance and contumaciousness.

"Strong men" authoritarians provide the illusion of public safety and stability. It is illusory because, in the absence of power transition mechanisms, such regimes devolve into interregnum civil wars and rampant criminality.

Growing inequality in the West, its divergence from traditional values, atomization, the baleful rejection of authority and expertise, and rampant anomie rendered the Occident an unappealing alternative.

This unholy confluence of disillusionment and grandiosity among the disenfranchised and underprivileged led to the resurgence of ugly phenomena such as xenophobia, anti-Semitism, racism, misogynistic sexism, and state-sanctioned oppressive violence.

The lurid tide of populist ochlocratic oligarchies is sweeping across the world and has reached into the USA, UK, and the EU. But it is not too late to stem it.

First, we need to deny the enemies of freedom access to our liberties and the ability to subvert and leverage them. Free speech is not the same as anarchic speech and should never be permitted to degenerate into an instrument of warfare against the truth and our most cherished values. The same applies to other rights such as the freedom of assembly and the free press.

It is a fine balancing act, but we need to realize that we are at war and that we are not on the winning side hitherto. At stake are exactly the very human rights that are being molested by our adversaries.

Second, we must starve those who do not adhere to the values of liberal democracy: create a firewall to keep them out of our systems, first and foremost the financial and banking infrastructure.

Third, we must aspire to autarky. We are way too dependent on tainted fossil fuels and bloodied minerals. Alternative energy sources are a good place to start as well as reviving our mining industries. We need to wean ourselves off our unseemly dependency on our axiological adversaries.

Above all, we must redouble our efforts to gain minds and souls in the blighted territories of autocracy.

It would be wrong to go about it by promoting our values over the local brands. To claim such superiority smacks of patronizing colonialism.

We need to focus on unbridled access to information, on the plurality and diversity of voices, and on the freedom to make decisions as inalienable human rights. We also need to respect all choices once they are freely made, unencumbered by nescience, corruption, and intimidation by any party.

The transition from authoritarianism to democracy is never easy because it involves cultural and societal determinants which are often irrational or traditional or both. We need to respect such collective histories and predilections, not disparage or ridicule them.

The West is highly suspect in many corners of the globe. A history of abusive imperialism and exploitative mercantilism left the majority of humanity resentful and cynical.

At the same time, the divergence of Western values from beliefs and faiths held dear for millennia make it onerous to settle on a lingua franca of cultural exchange. We need to overcome this legacy if we are to get anywhere in this quest for a better, liberated world.

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Russia's Tanking Economy: Sanctions Begin to Bite?

By: Sam Vaknin, Brussels Morning

A mere four months into 2023 and Russia's entire forecast annual budget deficit is used up, conceded its beleaguered Ministry of Finance on May 10. The target of 2% of GDP in terms of shortfall looks like a pipedream.

Federal revenues shrank by a whopping 22% compared to the same period in 2022. The government's intake amounted to slightly less than 12 billion USD per month, according to Moscow Times.

Compared to the same timeframe last year, the energy (oil and gas) sector endured a devastating plunge of 52% in its revenues during these months, to less than a total of 30 billion USD.

The meager 5.5% increase in income from the other, non-energy, sectors of the economy – a paltry 72 billion USD - could not offset this precipitous drop.

In the meantime, Moscow spent a mind-numbing 145 billion USD in the first four months of this year.

The ineluctable result: a budget deficit of 45 billion USD, one of the largest ever in the history of the country.

Russians would be surprised to learn that the economy is in trouble. Military manufacturing and explosive state spending camouflage the true dismal state of affairs.

Nor did inflation rear its ugly head yet. But the central bank's ability to cut rates will now be severely hampered, confronted as it is by this fiscal hemorrhaging.

But the situation is bound to get much worse if energy prices remain depressed. The government's attempts to rein in spending are laughable in the face of the military debacle in Ukraine.

Sanctions are beginning to bite as well.

Consider the agricultural sector: Russian Agricultural Bank (Russkolkhozbank) was booted from the SWIFT system; there is a ban on exports of agricultural machinery and spares to Russia; insurance of Russian ships and cargo is restricted as is access to many ports; the pipeline pumping ammonia from the Russian city of Togliatti to the Ukrainian port of Odesa is turned off; and the accounts of Russian fertilizer companies are frozen.

So, the two pillars of Russia's defiant response to Western sanctions are crumbling: surging public spending and spiking oil revenues.

When the USA and the EU imposed a price cap of 60 USD per barrel of Russian oil, Putin laughed it off. He is laughing no more. It proved to be surprisingly efficacious in cutting into Russia's proceeds.

Calling a halt to the war in Ukraine might actually make matters worse as military-industrial production winds down and soldiers are demobilized and rejoin the civilian workforce.

The only way out of this conundrum is a sharp rise in the prices of energy products in Eurasia's markets.

Fears of a global recession, struggling sectors of the economy in China (real estate) and in the West (banking), as well as a still stubborn inflation all portend ill as far as this scenario is concerned.

But, ironically, the aforementioned price cap, coupled with OPEC+ (including Russian) production cuts can deliver this salvation by the end of this year.

The adversaries of the Russian kleptocracy should not celebrate yet, though. Putin's incentive to hang on to power via repression at home and military aggression abroad would be only buttressed as he is cornered into a nosediving, solipsistic economy.

Regrettably, for numerous reasons, regime change should be ruled out as a strategic goal at this stage: both the West and Russia are not ready for it.

But there is call for innovative solutions to this quagmire, incentivizing prosocial behaviors rather than penalizing antisocial ones.

Examples:

Western buyers can put aside the differential between the cap on Russian oil and its market price. This fund will be released to Russia only when the war ends and the regime changes. It will be used to defray the costs of demobilization and disarmament.

Unraveling the sanctions regime must be tied to a roadmap of improving behavior on the part of Russia.

Sanctions must be surgically waived on opposition figures, locales, and activities and, as gestures of goodwill, in response acts of defiance by oligarchs and siloviki who are targeted right now.

Similarly, grace periods on sovereign bond repayments and concessions on foreign direct investment (FDI) in Russia should comprise a carrot at least as substantial as the sanctions stick.

The conflict in Ukraine may well constitute a proxy war between the West and Russia. But it is also a veritable morality play, a clash of values and civilizations, and a defining moment as to the shape of things to come. A Russian meltdown is in no one's interest.

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Meta vs. EU: Battle of the Gaslighters

By: Sam Vaknin, Brussels Morning

The European Data Protection Board (EDPB) has just overruled a decision by the Irish Data Protection Commission (DPC) and announced that Meta, owner of Facebook, Instagram, and WhatsApp is fined 1.2 billion euros over violations of the EU's General Data Protection Regulation (GDPR), now celebrating its fifth anniversary.

Since May 2018, regulators have possessed the right to fine a company up to 4% of its annual turnover for serious violations.

Many hi-tech behemoths – Meta and Apple included - based their operations in tax-friendly Ireland. Little did they know that its ferocious privacy watchdog would wipe out any tax savings they might have gained with this tax sheltering move.

Meta did not take steps to mitigate, let alone eliminate "the risks to the fundamental rights and freedoms" of its users, explicated the Irish Data Protection Commission, though Meta acted in good faith and, therefore, did not deserve to be fined.

Meta was also given 5 months to "suspend any future transfer of personal data to the US" and 6 months to terminate "the unlawful processing, including storage, in the US" of users's data.

Meta threatened in the past to withdraw from the EU altogether, but is unlikely to do so as it awaits the implementation of a new agreement on data flows between its two main markets.

A similar "Privacy Shield" pact, though, was annulled in 2020 by the Court of Justice of the European Union (CJEU). The tribunal left intact data transfers founded on standard contractual clauses (SCCs), but even this vestige was struck down by the Irish authority.

Still, EU regulators produced an alternative in December 2022 (the Data Privacy Framework or DPF) and Joe Biden reciprocated by issuing an executive order intended to reassure the EU and its denizens of safeguards in place to maintain the integrity of transferred data.

Alas, this morality play has no saints in it. Both parties are gaslighting each and other – and the public at large.

Meta sports a stubbornly abysmal and scandal-ridden – almost contemptuous - record when it comes to the protection of the privacy of its users's data.

The EU, on the other hand, is opaque, indecisive, and capricious in its trans-Atlantic data transfer policies which have been mired in a perpetual state of regulatory uncertainty.

The solution is a bilateral body. The EU and the USA should set up an independent organization to take care of the storage of users's data and its disposal by all the technology companies in strict accordance with all relevant laws and regulations on both sides of the pond.

Chinese walls can guarantee commercial interests the same way accounts are handled in investment banks and brokerage firms.

But there is a much more fundamental problem: a digital philosophy divide between the USA and the EU and not only regarding access to information of all kinds.

The USA regards users's data as commercial raw material and as evidence in both civil and criminal cases. Data, therefore, belong to enterprises, with access granted to the state as needed.

In contrast, the EU considers data to be the property of individuals to dispense with as they please.

Yet, the EU's position is somewhat disingenuous and untenable. Users do explicitly trade their personal information for the free use of a variety of services online. Law enforcement agencies should be able to access users's data subject to court orders in any jurisdiction.

To hamper the free flow of data of any kind is to undermine the foundations of and fragment the internet and other digital utilities and networks. It is too high a cost.

Data privacy is an elusive and illusory mirage and the GDPR is a pretentious piece of political theatre with little impact in the real world. Idealism and activism have their place, but not when they are rendered grandiose, destructive, and self-delusional.

Moreover: the EDPB's ability to overrule a local regulator with intimate knowledge of affairs is worrying. Meta was not invited to appear in what amounted to an appeals process. It fell victim to an internal EU turf war, it would seem.

Meta was also singled out of thousands of other technology companies with identical data transfer practices. This oversight smacks of a political PR stunt, not justice. It is especially egregious when data transfers to the likes of China continue unabated and largely unchallenged.

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Digital Euro: Europe's Next Folly

By: Sam Vaknin, Brussels Morning

Payment service providers control the ebb and flow of finance. They are the equivalent of a beating heart. Europe's monetary traffic is channeled almost entirely through American vessels: Mastercard, Visa, Apple Pay, Google Pay, PayPal and the like. All of these provide access to multiple payment objects: bank deposits, direct deposits, credit cards, and even cryptocurrencies.

On its 25th anniversary, the European Central Bank (ECB) has announced a digital euro initiative as a way to wean the eurozone off this stifling dependency.

The European Commission embraced the idea with great enthusiasm and in an atypical display of alacrity it vowed to produce accommodating legislation in the forthcoming few weeks. Not to be outdone, the ECB pledged to reciprocate with a detailed design proposal latest by October.

Most payments are now electronic. This forces the hand of even the most conservative central bankers – such as the Fed – to contemplate a digital currency as the pecuniary future.

Some countries – Nigeria, the Bahamas, Jamaica, Marshall Islands – have introduced such electronic tender and China is soon to follow suit with its e-RMB (Digital Electronic Currency Payment).

But the elephants in the room are cryptocurrencies ("virtual currencies") and other cryptoassets. Those are real threats to the money monopolies of central banks the world over. The democratization of money carries with it a veritable threat of financial chaos. The EU has moved recently to regulate this volatile speculative sector.

A digital euro would be subject to the same century-old practices and safeguards of central banking and is, therefore, likely to be a stable means of exchange and store of value.

But, stability and safety aside, the digital euro is folly. The European equivalent of nationalistic hubris. It is utterly superfluous and would only generate additional regulatory burdens and layers of bureaucracy. It is unlikely to trump other digital payment platforms either in terms of ease of use or ubiquity.

ECB President, Christine Lagarde, casts this institutional public sector foray into what should have remained strictly private commerce in terms of safeguarding the autonomy and resilience of Europe.

The typically French paranoid ideation underlying this endeavor is that European consumers, merchants, and banks may find themselves at the mercy of – largely American – payment processors. The digital euro would serve as the cavalry in such an Armageddon – though no one seems to know quite how.

Lagarde even compared Europe's dependency on American service providers to its addiction to Russian gas and oil. Presumably, should the USA invade Belgium the way Russia invaded Ukraine, Apple and Google Pay – not to mention all the major credit cards - would cease their operations in Europe in order to secure another glorious American VE-day.

This nauseating balderdash aside, the digital euro could theoretically be stored in digital wallets on smartphones, obviating the need for bank accounts and allowing for transactions both online – via existing online banking and also a dedicated app - and offline. The issue of micropayments – tackled so elegantly by the likes of Apple Pay – is conveniently ignored.

To unseat the current payment services outfits, the digital euro would need to be as frictionless and as fee-free as the EFT system of bank transfers. Even then, it would be competing with the likes of Germany's vanishingly low-cost Girocard system.

A digital euro should also offer access to multiple payment objects, such as retail and investment bank deposits, direct deposits with the ECB, other payment platforms, cryptoassets, and credit cards.

The main impact of a digital euro – should it be introduced following a testing period of three years and should it miraculously become a "big thing" – would be to undermine the European banking system.

Digital currencies are a form of savings, not only of cash. They compete head on with bank deposits as well as current accounts. The only way to avoid a major disruption is to place a strict quota on the amount of digital currency per user, rendering it utterly useless.

Another problem is the harmonization – and, probably, the elimination – of national digital currency schemes in several eurozone countries such as Netherlands and Belgium.

The ECB should prioritize way more urgent matters, such as inflation and trade finance flows with China. The retail digital euro smacks of political theatre and makes little economic or financial sense.

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Europe's Refugees and Immigrants Fatigue

By: Sam Vaknin, Brussels Morning

Greek coast guard officers were caught on camera by the New York Times transferring asylum seekers - including women and children – to a boat at sea and then abandoning them to their ineluctable fate on a raft.

Migration from the Mediterranean to Europe often ends in death. Refugees are fleeing conflict, persecution, and, above all, hopeless poverty. They do not seek to improve their lot – they want to have a lot to start with. Many women consent to be trafficked just to extricate themselves from their domestic inferno.

Europe is focusing its efforts, such as they are, on defensive "security". There is no real, coordinated, strategic attempt to tackle the root causes of immigration because sending hapless refugees to their death is way cheaper than mitigating penury or resolving conflicts in their home countries.

For example: the budget of Frontex, the EU's border control agency has quadrupled to 24 billion euro in 2021-7. More than 30,000 met their deaths at sea or are missing since 2014, according to the IOM (International Organization for Migration).

Stereotypes are often wrong and it is no exception when it comes to migrants: their involvement in crime and social unrest is not higher than the general population's. One is left wondering who is churning out these convenient and self-justifying Trumpian prejudices, cui bono.

Moreover: the EU is working closely with rogue states and quasi-militias in countries like Libya and Tunisia to wall off immigration. Values like democracy, free speech, human rights, and the rule of law be damned.

Immigrants are corralled by the coast guards of the very polities they have fled and held in concentration camps, aka detention centers, in violation of a bevy of principles of international law (such as non-refoulement).

Such self-defeating choices result in a panoply of far right and alt right mindsets: xenophobia, racism, euroskepticism, and anti-Semitism.

Recently, these foul attitudes have been extended to apply to Ukrainian refugees. The impact on the labor supply of these victims, displaced by Russia's savage aggression, is far more immediate and akin to a sugar rush: 4 out of 8 million are of working age. Many are high-skilled women with children and endowed with a college degree.

Contrary to populist messaging, immigration enhances GDP in the long run – especially in developed countries. But, in the short term, immigrants compete with locals for employment opportunities and scarce economic resources.

Had the EU acted rationally, this is what it would have done:

It should establish a few immigration hubs and redistribute incoming flows to all members of the EU according to their population and GDP per capita.

It should invest in economic development and conflict mitigation in the countries of origin.

It should establish worker migration programs on European soil (including for temp labor and gigs) and provide humanitarian and family reunion residency visas as well as accelerated pathways to citizenship.

It should open distance learning campuses of its major higher education institutions where immigration originates.

It should establish safe, formal, and legal migration routes to Europe with EU-trained guides and forward application processing and visa granting (consular) centres. This step alone is likely to decimate human smuggling and human trafficking.

Migrants availing themselves of the aforementioned routes should be immediately offered welfare benefits, education, healthcare, legal aid, and employment opportunities, and a clear, irrevocable trajectory to residency and citizenship.

The EU must take over the management and financing of all the refugee detention centres in Africa and Asia. It should also compensate host countries for their hospitality, however coerced or reluctant it may be. It should provide economic and humanitarian aid as well as reskilling programs for local labor faced with competition from a burgeoning immigrant population.

Above all, the EU must abolish the Dublin Regulation. Immigration is a Europe-wide systemic problem, not to be dumped on frontline states such as Italy or Greece.

Finally, search and rescue operations must be augmented and financed centrally. Immigration is not going anywhere any time soon. Europe is rich. Its neighbors across the seas are poor. End of story. Better accept reality and cope with it in a mature way and on a long-term, prophylactic basis.

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The Merits of Inflation in Europe (Part 1)

By: Sam Vaknin, Brussels Morning (Part 1, Part 2, Part 3)

Headline inflation fell from 7% in April to an annually adjusted 6.1% in May, announced Eurostat. Retail prices will follow suit in a few months. Core inflation – a more relevant indicator – is down to 5.3%.

But is it necessarily a good thing? I argue that it is time to consider the twin risks of recession and deflation. The recent bout of inflation was not structural but conjectural: the outcome of a set of unprecedented circumstances (the pandemic followed by the war in Ukraine). As the former recedes and the latter stagnates, inflation will abate, willy-nilly.

The role of the ECB is confined to taming prices and ensuring monetary stability, without second guessing the markets, even when these are evidently in the throes of asset bubbles.

In the past few decades, this obsession with price stability led to policy excesses as disinflation gave way to deflation - arguably an economic ill far more pernicious than inflation.

Deflation coupled with negative savings and monstrous debt burdens can lead to prolonged periods of zero or negative growth.

Moreover, in the zealous crusade waged globally against fiscal and monetary expansion - the merits and benefits of inflation have often been overlooked.

As economists are wont to point out time and again, inflation is not the inevitable outcome of growth. It merely reflects the output gap between actual and potential GDP.

As long as the gap is negative - i.e., whilst the economy is drowning in spare capacity - inflation lies dormant. The gap widens if growth is anemic and below the economy's potential. Thus, growth can actually be accompanied by deflation.

Indeed, it is arguable whether inflation had been ever subdued by the farsighted policies of central bankers. A better explanation might be overcapacity - both domestic and global - wrought by decades of inflation which distorted investment decisions. Excess capacity coupled with increasing competition, globalization, privatization, and deregulation led to ferocious price wars and to consistently declining prices.

Taming inflation can easily get out of hand.

A truer gauge of forward-looking price pressures is the implicit price deflator of the non-financial business sector. Using this indicator, inflationary shocks often give way to deflationary and recessionary aftershocks.

Depending on one's point of view, this is a self-reinforcing virtuous - or vicious - cycle. Consumers learn to expect lower prices - i.e., inflationary expectations fall and, with them, inflation itself. The intervention of central banks only hastens the process. But benign structural disinflation can transmogrify into malignant deflation.

It is universally accepted that inflation leads to the misallocation of economic resources by distorting the price signal. Confronted with a general rise in prices, people get confused. They are not sure whether to attribute the surging prices to a real spurt in demand, to speculation, inflation, or what. They often make the wrong decisions.

They postpone investments, or over-invest, or embark on preemptive buying sprees. As Erica Groshen and Mark Schweitzer have demonstrated in an NBER working paper titled "Identifying inflation's grease and sand effects in the labour market", employers - unable to predict tomorrow's wages - hire less.

Still, the late preeminent economist James Tobin went as far as calling inflation "the grease on the wheels of the economy".

What rate of inflation is desirable? The answer is: it depends on whom you ask. The European Central Bank maintains an annual target of 2 percent. Other central banks - the Bank of England, for instance - proffer an "inflation band" of between 1.5 and 2.5 percent. The Fed has been known to tolerate inflation rates of 3-4 percent.

These disparities among essentially similar economies reflect pervasive disagreements over what is being quantified by the rate of inflation and when and how it should be managed.

The sin committed by most central banks is their lack of symmetry. They signal a visceral aversion to inflation - but ignore the risk of deflation altogether. As inflation subsides, disinflation seamlessly fades into deflation. People - accustomed to the deflationary bias of central banks - expect prices to continue to fall. They defer consumption. This leads to inextricable and all-pervasive recessions.

The Mismeasurement of Inflation

Inflation rates - as measured by price indices - fail to capture important economic realities.

As the Boskin commission revealed in 1996, some products are transformed by innovative technology even as their prices decline or remain stable. Such upheavals are not captured by the rigid categories of the questionnaires used by bureaus of statistics the world over to compile price data.

Cellular phones, for instance, were not part of the consumption basket underlying the CPI in America as late as 1998. The consumer price index in the USA may be overstated by one percentage point year in and year out, was the startling conclusion in the commission's report.

Current inflation measures neglect to take into account whole classes of prices - for instance, tradable securities. Wages - the price of labor - are left out. The price of money - interest rates - is excluded. Even if these were to be included, the way inflation is defined and measured today, they would have been grossly misrepresented.

Consider a deflationary environment in which stagnant wages and zero interest rates can still have a - negative or positive - inflationary effect. In real terms, in deflation, both wages and interest rates increase relentlessly even when they stay put. Yet it is hard to incorporate this "downward stickiness" into present-day inflation measures.

The methodology of computing inflation obscures many of the "quantum effects" in the borderline between inflation and deflation. Thus, as pointed out by George Akerloff, William Dickens, and George Perry in "The Macroeconomics of Low Inflation" (Brookings Papers on Economic Activity, 1996), inflation allows employers to cut real wages.

Workers may agree to a 2 percent pay rise in an economy with 3 percent inflation. They are unlikely to accept a pay cut even when inflation is zero or less. This is called the "money illusion". Admittedly, it is less pronounced when compensation is linked to performance.

Friction Inflation

As early as November 2000, economists in a conference organized by the ECB argued that a continent-wide inflation rate of 0-2 percent would increase structural unemployment in Europe's arthritic labour markets by a staggering 2-4 percentage points.

Akerloff-Dickens-Perry concurred in the aforementioned paper. At zero inflation, unemployment in America would go up, in the long run, by 2.6 percentage points. This adverse effect can, of course, be offset by productivity gains, as has been the case in the USA throughout the 1990's.

The new consensus is that the price for a substantial decrease in unemployment need not be a sizable rise in inflation. The level of employment at which inflation does not accelerate - the non-accelerating inflation rate of unemployment or NAIRU - is susceptible to government policies.

Vanishingly low inflation - bordering on deflation - also results in a "liquidity trap". The nominal interest rate cannot go below zero. But what matters are real - inflation adjusted - interest rates. If inflation is naught or less, the authorities are unable to stimulate the economy by reducing interest rates below the level of inflation. This has been the case in Japan and in the USA.

A central bank, having cut rates aggressively and unless it is willing to expand the money supply aggressively may be at the end of its monetary tether. An assertive monetary expansion is what Paul Krugman calls "a credible promise to be irresponsible".

Inflation is exported through the domestic currency's depreciation and the lower prices of export goods and services. Inflation thus indirectly enhances exports and helps close yawning gaps in the current account.

But the upshots of inflation are fiscal, not merely monetary. In countries devoid of inflation accounting, nominal gains are fully taxed - though they reflect the rise in the general price level rather than any growth in income. Even where inflation accounting is introduced, inflationary profits are taxed.

Thus, inflation increases the state's revenues while eroding the real value of its debts, obligations, and expenditures denominated in local currency. Inflation acts as a tax and is fiscally corrective but without the recessionary and deflationary effects of a "real" tax.

The outcomes of inflation, ironically, resemble the economic recipe of the "Washington consensus" propagated by the likes of the rabidly anti-inflationary IMF. As a long term

policy, inflation is unsustainable and would lead to cataclysmic effects. But, in the short run, as a "shock absorber" and "automatic stabilizer", low inflation may be a valuable counter-cyclical instrument.

Inflation also improves the lot of corporate - and individual - borrowers by increasing their earnings and marginally eroding the value of their debts (and savings). It constitutes a disincentive to save and an incentive to borrow, to consume, and, alas, to speculate. "The Economist" called it "a splendid way to transfer wealth from savers to borrowers."

The connection between inflation and asset bubbles is unclear. On the one hand, some of the greatest fizz in history occurred during periods of disinflation. One is reminded of the global boom in technology shares and real estate in the 1990's.

On the other hand, soaring inflation forces people to resort to hedges such as gold and realty, inflating their prices in the process. Inflation - coupled with low or negative interest rates - also tends to exacerbate perilous imbalances by encouraging excess borrowing, for instance.

Still, the absolute level of inflation may be less important than its volatility. Inflation targeting - the latest fad among central bankers - aims to curb inflationary expectations by implementing a consistent and credible anti-inflationary as well as anti-deflationary policy administered by a trusted and impartial institution, the central bank.

Deflation and the Value of Cash

Traditional economics claims that deflation actually increases the value of cash to its holder by enhancing its purchasing power in an environment of declining prices (negative growth in the average price level). Though highly intuitive, this is wrong.

It is true that in a deflationary cycle, consumers are likely to delay consumption in order to enjoy lower prices later. But this precisely is what makes most asset classes – including cash – precarious and unprofitable.

Deflationary expectations (let alone actual deflation) lead to liquidity traps and zero interest-rates. This means that cash balances and fixed-term deposits in banks yield no interest. But, even zero interest translates into a positive yield in conditions of deflation. Theoretically, this fact should be enough to drive most people to hold cash.

Yet, what economists tend to overlook is transaction costs: banks charge account fees that outweigh the benefits of possessing cash even when prices are decreasing. Only in extreme deflation is cash with zero interest a profitable proposition when we take transaction costs (bank fees and charges) into account. But extreme deflation usually results in the collapse of the banking system as deleveraging and defaults set in. Cash balances and deposits evaporate together with the financial institutions that offer them.

Moreover: deflation results in gross imbalances in the economy: delayed consumption and capital investment and an increasing debt burden (in real, deflation-adjusted terms) adversely affect manufacturing, services, and employment. Government finances worsen as unemployment rises and business bankruptcies soar. Sovereign debt – another form of highly-liquid, “safe” investment – is thus rendered more default-prone in times of deflation.

Like inflation, deflation is a breakdown in the consensus over prices and their signals. As these are embodied in the currency and in other forms of debt, a prudent investor would stay away from them during periods of economic uncertainty.

At the end, and contrary to the dicta of current economic orthodoxy, both deflation and inflation erode purchasing power. Thus, all asset classes suffer: equity, bonds, metals, currencies, even real-estate. The sole exception is agricultural land. Food is the preferred means of exchange in barter economies which are the tragic outcomes of the breakdown in the invisible hand of the market.

To tame inflationary pressures in the long run, Europe should focus on remedying structural issues: labor mobility, reskilling, banking reform and stability, intra-EU coordination of policy measures, and the like.

But, by far, the most pressing problem may be inequality. Leaving aside its ramifications in terms of social unrest, inequality creates perverse incentives and extreme misallocation of economic resources.

Income Inequality and Deflation

The core problem in Europe might ultimately be the rising income and wealth inequalities almost to American levels in some countries.

The more money we make, the less we appreciate its relative, respective, and proportional value to others. With very few exceptions, rich people, no matter how stingy, seem to lose touch with the pecuniary reality of the "99%" of the population who are poor(er). Indeed, to the wealthy, money is not a store of value as much as a token which allows them to participate in economic and non-economic games.

I call this process of desensitization to the value of money "personal inflation" because, precisely like "classic" inflation, as far as these affluent persons are concerned, it thwarts the price signal and distorts the efficient allocation of economic resources. It also misinforms their decisions and adversely affects their motivation to work, save, and invest.

Rich people have an "inflationary mindset": they prefer to spend their capital, but owing to the amounts involved, are forced to hold on to the bulk of it, tied down in assets, both tangible and financial. They wish to consume (inflationary effect), but end up saving (deflationary outcome.)

Poorer folks have a deflationary state of mind: they would like to hold on to their money, but are forced to spend most of it, or even all of it (not to mention avail themselves of additional credits and loans.) They wish to save (deflationary effect), but end up consuming (inflationary outcome.)

Thus, all economic players in the marketplace wind up acting irrationally: against their innermost as well as expressed wishes and preferences. This gulf between the desires and actions of all economic agents is the main source of instability and uncertainty in the capitalist system, based as it is on wealth transfer from the many to the few and its accumulation in the hands of the latter.

What are the effects of these discrepancies in the perception of money between the rich and the rest of us? How is this psychological gap – indeed: this abyss – manifested in economic expectations and in one's grasp of one's purchasing power (based on streams of future income)? How does the price signal react to income inequality?

The larger the disparities between rich and poor, the greater the share of national wealth held by the rich, the more deflationary the economy. Rich people consume only a tiny portion of their wealth. The rest is tucked away in the vaults of financial institutions, in real-estate, or in art. Their money is effectively taken out of circulation and its velocity drops precipitously.

Admittedly, rich people's savings do serve as a source for investments, but only when the transmission mechanisms of the financial system are intact and when trust is reasonably high. In times of crisis and recession, financial institutions tend to be rendered dysfunctional and trust abates. Redistribution via schemes of progressive taxation does ameliorate some of the deflationary effects of income inequality, but can never counter it wholly.

The political will to tackle this pernicious problem is not there, alas. The revolving door between politics (including regulatory agencies) and business is a major disincentive to any true reform.

The absence of political zeal to introduce change is everywhere. This is why Europe's tax burdens and governments's shares of GDP have been soaring inexorably with the consent of the citizenry, for example. People adore government spending precisely because it is inefficient and distorts the proper allocation of economic resources. The vast majority of people are rent-seekers.

Witness the mass demonstrations that erupt whenever governments try to slash expenditures, privatize, increase the pension age, reduce their debt burdens, and eliminate their gaping deficits. This is one reason the IMF with its austerity measures is universally unpopular.

The fight against inflation should never take center stage. It is an unwelcome distraction. Reforming Europe is the key. Inflation comes and goes. Europe's economic deficiencies and deformities are here to stay unless they are confronted resolutely. Indeed, in the long-term, these are the very engines and causes of inflation.

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Germany and Russia Both Suppress Freedom of Political Speech

By: Sam Vaknin, Brussels Morning

From the very inception of the war in Ukraine, I have been a vocal critic of the kleptocrat and war criminal, Vladmir Putin, his venal cronies, and his war of aggression in Ukraine. I contributed what little I could to help Ukraine's traumatized population.

But, the recent trial of Elena Kolbasnikova in Germany is reminiscent of Russia's mistreatment of dissidents.

Kolbasnikova is a vocal proponent of both Putin and the war in Ukraine. She parrots the Kremlin's counterfactual and propagandistic conspiracy theories: Ukraine is ruled by Nazis who have been perpetrating genocide against the denizens of the Donbas region.

This is all deplorable and abhorrent. But it sits well within the confines of her inalienable human right to speak her mind.

A court in Germany just sentenced her to a fine for her outspoken political opinions. She barely evaded a 3 years prison sentence.

The state prosecutor was being less than truthful when he denied that the charges had anything to do with the fact that the accused liked Russia or its president or had criticized the German and Ukrainian authorities.

Freedom of expression ends where the approval of crimes began, he thundered self-righteously. What crimes? Russia's invasion of Ukraine, an act of military aggression which constitutes a crime under German law.

Kolbasnikova's repeated calls for peace in Ukraine were "cynical", he insisted.

The judge concurred: Russia had violated international law by invading Ukraine. The defendant's statements were apt to disturb the public peace. In a chilling reminder of Germany's past, she pointed out that one was not allowed to say everything in Germany.

But it is not the role of the legal system in any civilized country to effectuate mind reading (Kolbasnikova's alleged cynicism) or to ban debates over geopolitical events and over the applicability of international law in specific cases.

Not all misinformation is created the same. Fabrications regarding the COVID-19 vaccines bear lethal consequences. War propaganda is often laughable and rarely believed.

There is also a hypocritical double standard here. Israeli settlements are illegal. I do not recall a single one of their vociferous supporters brought to justice in Germany (or elsewhere for that matter).

Nor did anyone pay a personal price for publicly supporting the West's involvement in the wars in Kosovo and in Iraq, both of which were of dubious legal provenance.

And what about the fans in Germany of the dictator Erdogan? Why are they not being prosecuted?

Crises in the lives of individuals and of collectives often push us to emulate the adversary: we take on the attributes and assume the misconduct of an abuser, a less than savory regime, or an inhuman ideology.

Instead, we should fight to preserve our liberal-democratic identity and fearlessly uphold our values. We should make scarce and sparse use of the state's monopoly on violence, the judicial kind first and foremost.

The way to go about liars and the lies they spread is not to muzzle them: we should not become that which we decry. We need to confront each fabulist with the incontrovertible truth. To attach to each prevarication or confabulation the countervailing data that refute them.

We must insist on a balanced presentation of every point of view with multiple angles of every controversy amply and aptly represented. We need fact-checkers, not censors, crowdsourcing not courts, eyewitnesses not armchair analysts.

It was a bad day for justice and for human rights in that courtroom in Germany. Let us hope it is an aberration and a harbinger.

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Europe Needs to Militarize

By: Sam Vaknin, Brussels Morning

Europe is faced with a real war, not a cold one. The invasion of Ukraine engendered a domino effect, a vortex which might easily consume countries such as Belarus and Moldova and adversely affect Russia's neighbors: Romania, Poland, the Baltic states, and Scandinavia's new NATO members. Even far-flung polities such as Bulgaria and Serbia are bound to be sucked into the maelstrom.

It is time to prepare for a repeat of the 1930s: increase defense spending, reintroduce conscription, and enhance the production of armaments across the board. We must not repeat the mistakes that helped foster Hitler's myth of invincibility in 1936-1939: no appeasement this time.

Military expenditures in western and central Europe are a meager $345 billion, a mere 15% of the global total, back to where they were in 1989 and 30% above the spending in 2013.

But these figures mask a vast disparity: a few countries increased their budgets dramatically (Finland, Lithuania, Sweden, and Poland) while most others are still dragging their feet with pledged hikes stretched over the next decade or so.

All in all, former Soviet bloc countries in eastern Europe more than doubled their military outlays since 2014. Western European ones by and large procrastinated.

Germany's defense consumes 1.6% of GDP and is set to rise by a paltry 3-4 billion USD a year until 2030. This kind of incremental footdragging makes a mockery of the West's commitments and the challenges that it faces. The USA is right to foam at the mouth at the sight of such disloyal malpractice.

Moreover, universal conscription in most European countries has gone the way of the dodo in the past two decades. Germany suspended it in 2011. Of the 29 members of NATO, only 6 maintain a semblance of compulsory service, however brief.

Europe must rearm. Europe must maintain standing armies. Europe must design and manufacture all weapons systems and ammunition. In short: Europe must prepare for war, independently of the United States.

Like everything else in that kleptocratic pseudo-state, Russia's army is a joke. But Russia is vast and unpredictable and China is nothing to snigger at. Their alliance is exceedingly ominous and very reminiscent of the Axis in World War Two.

Russia is capable of ramping up the production of materiel and of raising an army of millions on a year's notice. Aided and abetted by rogues like Iran (drones), North Korea (missiles), and an offensive China (credit and access), there is no telling what a future Russia may present to a disbelieving world in terms of military prowess.

The Russian Federation is a coercive empire with an aggressive imperial and colonial mindset: Europe is its Lebensraum, not Asia.

As Putin seeks to reconstitute the USSR who could guarantee that he won't go Stalin's way and attempt to recoup the former central and east European satellites of that late, unlamented, murderous, and prowling dictatorship?

Europe also needs to form new alliances with Africa, Latin America, and, especially China. Europe has a lot more to offer to China than Russia ever could and if it regains a benign and peaceable foothold in its erstwhile colonies, it could fit snugly into China's One Belt One Road Initiative.

Europe should unabashedly bribe China to disengage from Russia. The European Union, Switzerland, and other EEA countries should come up with a structured set of incentives, both economic and political, tied to China's willingness to limit its interactions with Russia.

Russia is a hopeless recidivist delinquent. The last 700 years prove it beyond any reasonable doubt. Russia should be excommunicated because it is irredeemable.

Any wasteful attempt to engage Russia in a civil discourse is doomed to fail. Trade with it by all means, but let Europe not pretend that it is either a state or a respectable member of the community of nations.

Some of these lessons Europe should apply to an increasingly jingoistic and authoritarian United States and Israel as well. It is time for Europe to stand on its own two feet and keep bullies at bay, right at home and across the pond.

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EU Again Postponing the Inevitable: Western Balkans Memberships

By: Sam Vaknin, Brussels Morning

In 2003, an exuberant European Union met with the countries of the Western Balkans (Macedonia, Bosnia-Herzegovina, Kosovo, Montenegro, Serbia, and Albania) in Thessaloniki, Greece and promised all of them accession. Some established EU members, like Austria, sponsored this collective vision.

Slovenia joined a year later and Croatia became an EU member in 2013. Both are former Yugoslav republics. This rankled: the 5 remaining rumps of Yugoslavia felt unjustly excluded. Twenty years later, they still are – and do.

Equally impoverished and badly governed countries – Romania, Bulgaria, Cyprus, and Malta, to mention but a few – joined over the years. Arguably, the strategic importance of the Western Balkans exceeds that of Romania. So, why the delay?

In the meantime, Russia has been busy exploiting the EU's inexplicable and discriminatory procrastination to make inroads into the region, most notably in Serbia and Bulgaria and, more recently, in North Macedonia.

As European Commission President, Ursula von der Leyden, admitted recently, at the GLOBSEC conference in Bratislava, "it is not enough to say that the door is open". Indeed, 'tis not.

Von Leyden came up with the solipsistic proposal to grant the mostly agricultural Balkan polities access to Europe's digital market mechanisms and tools, including its e-commerce and cybersecurity aspects. This would increase the trade in physical goods and in services, she pronounced oracularly.

She reiterated the typical vow to increase pre-accession funding, but, as usual, refrained from pegging a number on her largesse. This kind of bribery (or ransom) has been going on for decades, leading exactly nowhere.

On the sidelines, informally, the Commission mooted the tantalizing possibility of granting the patient countries of the Balkans access to Europe's Horizon funding for innovation and research and development.

Equally the EU's TEN-T, its trans-European transport network policy, could soon open its doors to the expectant wannabe members.

Both proposals are surrealistic in their irrelevance. The countries of the western Balkans require investments in infrastructure, advanced farming, manufacturing, tourism, and education, not in cybersecurity and cross-continental high speed trains.

By far the most offending gesture was the mealy-mouthed invitation to the ambassadors of the long-spurned candidates to sit in on preparatory meetings of the council in Brussels,

sharing a conference table with representatives of the actual constituents of the hallowed Union.

The urbane Minister of Foreign Affairs of North Macedonia, Bujar Osmani, welcomed closer integration pre-accession, but in thinly disguised exasperation, warned that the region is just "hanging" and in dire need of "scaffolding".

He recalled previous instances of fervid imminent accession that faded together with the emergencies that bred them. In 2015, when migrants made the western Balkans their preferred gateway to Europe, the EU called for swift integration. Such talk dwindled as the smuggling of Syrian and other refugees abated.

Another Albanian, the Prime Minister of Albania, Edi Rama, bitterly reminisced on how the countries of the EU stingily hoarded COVID-19 jabs and refused to share them with the decimated locales of the Western Balkans. On that occasion, some of these countries turned to Russia, Turkey, and China as well as to their regional proxies (Serbia) to beg for the life-saving vaccines.

In the meantime, tensions in the region are again ramping up. Kosovo and Serbia are at each other's throats on a host of bilateral issues. Serbian President, Alexander Vucic, cancelled his participation in GLOBSEC, presumably irked and incensed by the belated inclusion of the Kosovar Prime Minister, Albin Kurti.

The EU's foreign policy honcho, Josep Borrell, and the envoy to the region, Miroslav Lajcak, were left idle as the much anticipated round of talks in Bratislava failed to materialize. Montenegro's President, Milo Djukanovic, half-jokingly reminded the grandees that, in the Balkans, no one knows what the day will bring.

The Western Balkans has always been a powder keg. Only the prospect of EU accession is keeping it pacified, collaborative, and compliant with norms of civility and liberal-democracy.

But hope alone cannot sustain this departure from previous history. China and Russia are making inroads. It is high time to render the European Union more European and finally fully united.

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EU Should Not Reverse Brexit

By: Sam Vaknin, Brussels Morning

Lord Michael Heseltine, a Conservative (Tory) stalwart, called, on the seventh anniversary of the infamous referendum, to reverse Brexit. He cited damage to the economy and to the reputation of the United Kingdom, as well as the "frustration of our younger generation".

Years of turmoil – the pandemic, the war in Ukraine, Boris Johnson's shenanigans – masked the pernicious outcomes of the inane and self-defeating decision to exit the European Union.

The UK's regional economies and exports are shrinking. The country is headed to an economic performance that may be as bad as sanction-ridden Russia's. From university research to airports, Britain is a mess.

Now, even avowed Brexiteers are calling to reconsider the fateful breakup. But Europe should resolutely reject any attempt by the UK to rejoin its ranks. The EU needs to send an unequivocal and firm message that it is the gateway to prosperity, not a revolving door.

The EU stands to gain little from a re-accession of the UK. Even prior to Brexit, Britain's net contribution to the EU's budget, corrected for its rebate, was a paltry 5-6% of the total. The EU is the UK's largest trading partner and export destination. It is also the largest investor in the UK. The economic asymmetry in favor of the UK is glaring.

Throughout its reluctant history in the EU, the UK has been an aggressively disruptive and often Europhobic force. Time and again, it obstructed progress on a multitude of issues.

Never a team player, the UK's main contributions to the Union amounted to rancor and dysregulation. Geopolitically, it willingly served as an America Trojan horse amidst the European family. Rather than constitute an Anglophone bridge across the pond and thus enhance the EU's CFSP clout – it rendered the EU irrelevant and fractured.

The Brexit campaign exposed "multicultural" Britain for what it truly is: ochlocratic, Euroskeptic, xenophobic, and populist. The EU does not need another Hungary or Poland in its ranks.

The UK's is the fifth largest economy in the world. But it has never truly integrated with the other members of the EU. Nor was the UK influential in terms of policymaking: it failed spectacularly to export its liberal, anti-statist, and anti-protectionist principles precisely because it refused to apply them to its fraught relations with the EU bloc.

For a while, the UK served as an employment sink and employer of last resort to youth from Poland and other countries of the former Soviet sphere. But these Gastarbeiter were more than outweighed by well-paid British expats and by the millions of Brits who populated vast swathes of southern Europe.

Britain's army was never properly consolidated with its continental counterparts. The UK did not cooperate with other members of the EU on foreign policy and security issues. It maintained its less than splendid isolation throughout its membership.

If the UK wishes to re-enter the EU, it should be offered a deal akin to Switzerland's or Norway's. This is the natural solution to any future re-integration.

The UK should rejoin EFTA and then the EEA. It could also sign bilateral agreements with the EU which would effectively extend the scope of the single market and its regulations to Britain.

Isolationism carries heavy reputational (soft power) and economic costs in today's globalized world. No one can afford to go it alone. The aggressively haughty UK is learning this lesson the hard way.

Actions, choices, and decisions have consequences. A change of heart rarely cuts it even in individual affairs, let alone in the international arena. The EU has to keep the perfidious UK at arm's length exactly as one would his divorced ex.

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Climate Change May be an Opportunity

By: Sam Vaknin, Brussels Morning

The rich countries of the industrialized world are to blame for climate change. Yet, shamelessly, they hector and preach to the developing world, which is bearing the brunt of the consequences of their misdeeds, past and present.

The typically sanctimonious French President, Macron, says that no country should have to choose between "reducing poverty and protecting the planet". Grandiloquence aside, this is the kind of incomprehensible tripe that the West habitually proffers in lieu of hard cash and concrete planning.

The New Global Financing Pact summit in Paris aims to square multiple circles: ease debt burdens, fund green initiatives, and ameliorate poverty – all without committing lucre to these lofty goals.

Macron called for a greater involvement of the private sector (fat chance). To remove any doubt as to the reluctance of the public sector (aka governments), the French Ministry for Europe and Foreign Affairs has warned that global public debt has reached unprecedented levels in the wake of the pandemic: one third of developing countries and two-thirds of low income ones are now faced with "excessive debt".

"The trend of poverty reduction over recent decades has stalled".

Rather than deal with the emergency of global warming, the summit proposed a new "effective" international financial architecture which is supposed to miraculously provide more resources even as it "shelters the most vulnerable countries from shocks" (whatever that may mean).

One more nonsensical oxymoron: "realize sustainable development goals while financing the energy transition".

Developing countries are aghast. Their "Bridgetown Initiative" is a desperate, last ditch attempt to veer the conversation in a direction that is at least less inane, if not more productive.

The core problem is the cost of financing. It renders green projects and debt repayment unfeasible. "Loss and damage" is the uninspiring title given to reparations claimed by the suffering poor from the polluting rich. The latter pledged 100 billion USD which have yet to materialize.

None of this unseemly haggling is going anywhere. Nor is any of it relevant: climate change is here to stay, an inexorable process, an inalienable feature of the future, a fact. Rather than squander billions on futile attempts to reverse or halt it, we need to begin to learn to co-exist with it in the long-term.

We should take an inventory of what we know and act upon it resolutely (mitigation): emissions from fossil fuel combustion should be tamed, captured, stored, sunk, and sequestered (aerosols to be further studied in conjunction with global dimming and ozone depletion); measures for population control and family planning enhanced; alternative and renewable fuels should be studied and incentives provided to energy-efficient, clean and green technologies; cement manufacture should be tweaked; cap and trade (or tax) schemes implemented on the national, corporate, and individual levels; weather-resistant, energy-conserving, and green construction technologies pioneered; the diets of livestock should be adapted to restrict biological emissions; deforestation and reforestation should be rationalized as should be land use; drought-related indigenous agricultural and water management knowledge and crop varieties should be preserved; coastal flood defenses erected or strengthened; cities should be relocated inland; and weather-monitoring capacity should be extended and modernized. These measures make good sense, whatever the urgency of the problem facing us may be.

But we should invest the bulk of our scarce resources in research and innovation. We should accept that climate change is inevitable and work out ways of harnessing it to our benefit.

We should come up with new agricultural methods and strains; new types of tourism; novel irrigation techniques; water desalination, diversion, transport, and allocation schemes; ways of sustaining biological diversity and of helping the human body adapt and cope to extreme weather; and global plans to cope with energy production problems, poverty, and disease triggered by global warming.

For the next few centuries, climate change is largely irreversible (as the IPCC essentially admits). To think otherwise is completely delusional. We would do better to re-imagine our existence on this planet (adaptation).

As temperatures rise in certain locales (and drop in others!), new economic activities and routes of commerce would be made possible or rendered feasible; new types of produce and forests will flourish; new technologies will be developed to cater to a emerging and growing set of needs.

We would do well to not consider global warming a crisis, but reconceive of it as a massive change, or even an opportunity.

The initial costs of every transformation and transition in human history have been steep (recall the Industrial Revolution and, more recently, the transition from Communism to Capitalism). Climate change is not likely to be the only exception.

Such a massive realignment implies severe disruption and great distress. But invariably, tectonic shifts are followed by an extended period of creativity and growth. This time will be no different.

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The Wagner Syndrome: Privatizing War

By: Sam Vaknin, Brussels Morning

Private contracting of military functions has been on the rise since the first Gulf War (1991). With the collapse of the USSR, the militaries of the main Western protagonists, the USA and the UK, have been drastically scaled back, a process known as the "peace dividend". At the same time, economists and politicians throughout the world embarked on an ambitious plan involving the privatization of state-owned firms and functions. Inevitably, the two fads coalesced and huge chunks of hitherto state-monopolized warfare were contracted out, outsourced, and even offshored.

Third World countries have always leveraged mercenaries to subdue adversaries at home and abroad. Many armies in Africa and Asia and even in certain parts of Europe (such as the Balkans) were or are being run by third party contractors who sometimes also actively participate in the fighting.

As far as the USA and UK are concerned, until the Iraq war, private contractors were mainly responsible for logistics, training, and security tasks. This narrow definition of their roles is in flux, though. Private soldiers of fortune may yet be hired and rented out even by the governments of the West, though I regard this as extremely unlikely.

Oddly, PMCs had a limited role in the Global War on Terror (GWOT). Granted, private military companies are involved in the provision of logistical, training, and security support to forces on the ground and they also collaborate with field agents of secret services (such as the CIA). But, asymmetrical warfare is still carried out largely by regular armies, backed by intelligence gathered by state-run agencies.

Actual combat is not being transformed by the influx of private contractors. We are simply reverting to earlier times and models when war was a public-private partnership and military camps incorporated entrepreneurial suppliers, contractors, service providers, and hangers-on. The attempt to render modern armies self-sufficient and self-sustaining has clearly failed.

Lean, technology-rich armies are an inevitable outcome of budgetary constraints and ever more sophisticated gadgetry. The Transformation program is a response to these trends**,** not to the changing face of war. Truth be told, the USA has always faced low-intensity asymmetrical warfare. It rarely found itself engaged in conventional battles, mainly in the European theatre.

Private contractors merely substitute for existing structures. Their functions are not always low-skilled, quite the contrary. Moreover, the army duplicates the functions of private contractors. This redundancy may appear wasteful but it stems from the deep and justified distrust professional soldiers hold towards civilian contractors.

Quantitatively, PMCs will get more involved in future wars, but not qualitatively. PMCs and private contractors will grow in number, stature, and contribution to the war effort. But they are unlikely to replace the professional soldier in actual combat or the field agent in HUMINT. Their functions will remain largely limited to logistical support and training.

Private contractors are not GIs. They provide no substitute for the fighting men and women of the armed services. I doubt if they ever will. Thus, they do not alter the military equation in any meaningful way. Their involvement has no bearing on whether to draft and mobilize fighting age conscripts.

Incredibly, there are no serious studies that decide the question whether private contracting is a clever move, from the pecuniary point of view. Anecdotal evidence suggests that it is not and that waste and corruption are as rife there as among the traditional state bureaucracy.

Chain of command issues are inevitable. This is especially true when contractors are granted immunity to the consequences of their delinquency, crime, waste, and venality. There is no love lost between the fighting corps and private contractors. As we have seen in Iraq, the involvement of PMCs is often resented by host governments and leads to diplomatic and other incidents.

The solution, of course, is to hold private contractors accountable for their actions and misdeeds.

The modern armies that emerged after the Crimea War are a historic aberration. With the exception of the last 150 years, armed forces throughout history were composed of professional soldiers for hire augmented by ad hoc, short-term bodies of conscripted vassals or citizenry or militias. The erstwhile fighting corpus in its camp incorporated hordes of suppliers of goods and services ("private contractors" in today's parlance).

The attempt to render modern armies self-sufficient and self-sustaining by getting rid of these "parasites" has clearly failed. We are back to where we started: the traditional army.

It is also completely wrong to postulate that "Total War" is a modern phenomenon. It is at least as old as the Bible. The ancient Hebrews were instructed by God to eradicate their enemies, men, women, and children and to confiscate the property of their vanquished foes. How more Total can it get?

Mankind has always cycled between geographically-limited, guerrilla type skirmishes and all-out warfare. Top-heavy Goliath forces, armed with the latest technologies always faced pebble-slinging, nimble, "low intensity" Davids. There's nothing new about that. We are simply in an interim period between two classical wars. Call it a respite.

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Qur'an Burning: The Limits of Free Speech

By: Sam Vaknin, Brussels Morning

Both Freud and Marx maintained the view that all religions are mass psychegenic illnesses: socially sublimated delusional disorders. But many people hold dearer than life various artefacts associated with these beliefs, counterfactual as they may be.

Burning the Qur'an is an act intended to provoke pain and indignation in these faithful. It is nothing short of cruel and sadistic. Taunting the mentally ill should invariably be outlawed. There ought to be limits to free speech and this should be one of them.

This week, in Sweden, an Iraqi national, a temporary resident in that Scandinavian country, far right activist Salwan Momika, set fire to the holy book outside the central mosque in Stockholm, on June 28, just before Eid al-Adkha, a holy day in the Muslim calendar.

Equally shocking is the fact that he was allowed by the domestic courts to proceed with this barbarity unimpeded. The Swedish police could do nothing even when faced with the prospects of mass – and justified - civil unrest.

The Swedish government distanced itself from this uncivil public sacrilegious protest, criticizing it but making clear its impotence owing to the ill-conceived intervention of the judiciary.

The Swedish authorities called the demonstration "polarizing and offensive, disrespectful, a clear provocation, legal but not appropriate". They opened an investigation on a charge of agitation against a national or ethnic group involving the 37 years old man who stamped on the book and tore it before he incinerated it gleefully.

In retaliation, Muslims the world over burned Swedish flags and the 57-members Organization for Islamic Cooperation called for collective action to prevent a recurrence of the desecration of the Qur'an.

The Swedish court's decision is odd, to use an understatement. Burning the Qur'an is indisputably a form of hate speech directed at a religion, an instance of Islamophobia. International law prohibits it unequivocally.

The event has broader implications: Islamic Turkey is leveraging the incident to further delay the accession to NATO of Sweden in this month's summit. Sweden's Border controls have been enhanced. Putin reminded the world that such an act in Russia would be criminal because Russia respects "religious feelings".

In their tome, "How Democracies Die", the authors Steven Levitsky and Danial Ziblatt, expound on the gatekeeping function of political parties and courts. Extreme speech which challenges democracy and tolerance should be sidelined, they say.

This doesn't go far enough. Such discourse should be outlawed. Some speech acts are illegitimate. The costs of free speech should always be a prohibitive and inhibiting

consideration: who gets hurt or put at risk, what scarce resources are squandered, which collective interests are jeopardized, compromised, or sacrificed.

The sociologists Bradley Campbell and Roger Manning sounded the alarm about the rise of victimhood culture. Coupled with political correctness and woke tyranny, we have gone too far with moral relativism and anomie.

We need to re-establish firm guardrails and agree on a set of minimal immutable values. We then must apply them rigorously and ban words which have the overwhelming potential to turn into sticks and stones. We should not recoil in the face of naming and shaming, guilt-tripping and blame-shifting by self-styled victims. Whoever is unhappy with the West's creed and its institutions can seek Putin's brand of freedom in the Russian Federation, in the footsteps of Edward Snowden.

"Those who burn books will ultimately burn people", quipped Heinrich Heine, memorably. A Jew, he had a premonition. The Qur'an is a book. The resurgence of the far right across Europe now seems to culminate in the cremation of books in public.

Have we learned nothing from history? This should have never been allowed to happen. Shame on the feeble-minded spineless judges who let this atrocity take place. Let this toxin be a tocsin, a wake up call.

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Compassion Fatigue: Ukrainians Not Welcome

By: Sam Vaknin, Brussels Morning

This unsavory turn of events has been predicted long ago: compassion fatigue, the point in time when Ukrainian refugees become a burden rather than welcome guests, subject to outpourings of compassion.

The maximal geopolitical and military positions of both Russia and Ukraine preclude any diplomatic resolution of the conflict. Mind you, Ukraine is the victim here, so enforced symmetry would be immoral. Morally, Russia has to give.

But the indolent, decadent, and sated West is fatigued. The novelty wore off as did the self-congratulatory feel good grandiose factor. The whole conundrum has lost its jaded entertainment value. Time to move on to another reality TV show.

The recent events in Czechia reify this Europe-wide self-indulgent mood. A Roma man was murdered by a Ukrainian newcomer. This has been only the latest in a string of bloodied skirmishes between these two minorities.

Central Europe – from Romania to Poland – has absorbed the brunt of the influx of Ukrainians displaced by Russia's criminal aggression. Ill-equipped to deal with such a deluge, governments relied on civil society NGOs to cater to the needs of these refugees.

In some destinations, Ukrainians have become the largest minority, supplanting long-vested interests of other groups and upsetting the apple cart.

The anti-Western fringes in many European polities are anti-Ukrainian, even pro-Russian. In a grotesque turn of events, Czechia's virulently xenophobic and white supremacist far right is now pro-Roma, casting the long-abused and discriminated against minority as the victim of the Ukrainian influx. The enemy of my enemy and so on.

This might be a sinister divide-and-rule tactic, pitting one deprived group against another and the Roma against their erstwhile champions, the not-for-profit sector.

We are beginning to witness protests in Europe against the vast resources diverted to the conflict in Ukraine. People advocate "neutrality" (codeword for surrender to Russia's agenda).

Many of these demonstrators parrot Kremlin nonsense propaganda on social media. Others seethe with resentment and envy at the generous aid and privileges granted to the Ukrainian influx.

These perks were never as much as imagined by the indigenous and indigent Roma who are largely non-white: shockingly, about a third of the Roma in the most deprived areas have still to gain access to clean water.

The truth is that the war in Ukraine has reverberated far afield. For example: housing was rendered unaffordable in large swathes of the continent as real estate got snatched by homeless refugees. The Ukrainians also crowded out Roma and locals from certain McJobs.

The EU provided Ukraine with 77 billion euros in aid (even more than the USA) and has pledged another 72 billion over the next 4 years. The total annual budget of the EU has never exceeded 180 billion. It is a debilitating undertaking.

Such glaring favoritism is radicalizing mainstream politics. The influence of the far right is surging even in pivotal countries such as Italy and France. Tidal waves of immigrants, refugees, and asylum seekers only exacerbate tensions.

Discrimination against non-whites and non-Europeans and in favor of white Europeans such as the Ukrainians is grating. Glaringly, Ukrainian Roma are treated way worse than their whiter compatriots.

The war of attrition in Ukraine is beginning to fracture the united anti-Russian front of the West. Should it linger, cracks will appear in the heterogenous societies of the European Union. Support for Ukraine is contingent, by no means an immutable geopolitical given.

Zelensky is surviving on borrowed time. In the absence of a breakthrough military offensive, Ukraine will be cajoled and then coerced by its ostensible allies to partake of diplomacy.

Ours is a changed world: trench wars are a thing of the past. Attention spans are limited. The news cycle is merciless and dysempathic. Fake news are the only news. Largesse and magnanimity are nothing more than conditional virtue signaling. Patience is running thin and tempers high.

Sooner or later, blood on a massive scale will be spilled as Ukrainian refuges all over Europe are surrounded and hounded by their economic competitors and ideological rivals.

Even if Putin were to lose power, the alternatives are predatory scumbags like Prigozhin. A civil war in Russia is in no one’s interest, not even Ukraine’s.

Life is the sum total of injustices and losses. Russia has illegally invaded a neighboring sovereign country and seized its lands. In an ideal world, these adverse outcomes should be fully reversed and Ukraine restored.

But this is a world ruled by psychopathic narcissists on both sides of the aisle. Might is again becoming right and democracy is scarcer by the day, even in the United States and Israel.

A great leader snatches victory from the jaws of defeat and mobilizes his nation to accept the ineluctable and make the best of it: lemonade from lemons.

It is time to call it a day. Russia is much weakened in some ways. This should be enough of a victory for the brave nation of Ukraine.

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EU: Values or Valuables? Time to Suspend Hungary, Poland

By: Sam Vaknin, Brussels Morning

The European Union is trapped by its own rhetoric. Its money and mouth are not on the same page, to mix my metaphors. It has yet to make up its mind whether it is mostly an economic union or a purveyor and custodian of values such as the rule of law and human rights.

As it veers towards the latter, the august body has a tendency to issue idle and laughable threats against its own errant members. It is bad policy. Carrying a big gun is only half the trick – using it from time to time is indispensable.

The latest – fourth - annual rule of law report spared no one, not even Germany. But, not for the first time, it singled out Hungary and Poland for censure. The European Commission will withhold budget funds to penalize both. Again, this is not unprecedented.

Poland is an egregious case, verging on authoritarianism. Last month, the European Court of Justice ruled that the country's judicial "reform" should be repealed.

In the banana republic that this country had become, the Minister of Justice is also the Attorney General. Judges are dismissed if they don't toe the line. The supreme court of the land ignores ECJ rulings. Poland paid 360 million euros in fines in the past 3 years for this particular infarction.

Polish judges who invoke EU jurisprudence are reprimanded and disciplined. A newly founded administrative commission can exclude opposition politicians from public office. The media is anything but independent.

In the understatement of this new century, the report concludes that "serious concerns persist related to the independence of the Polish judiciary."

The right-wing obscurantist and populist Law and Justice (PiS) party is campaigning in the September general elections. Euroskepticism or even EU enmity are vote grabbers. Poland's Justice Minister, a far right stalwart, castigated the ECJ as politicized.

Why is Poland still a member of the EU in the wake of several identical condemning reports? Why isn't it at the very least suspended? Because other members – including until recently Slovenia and now Hungary - resemble it too inconveniently. The EU is no longer either liberal or democratic: it is merely cynical, deceptive, and delusional.

The report's scorecard for Hungary is an instance of such hypocrisy. This polity's parliament passed legislation to placate the EU, vowing to bring the hopelessly decrepit and corrupt judiciary up to EU standards.

The Commission rejoiced in a self-congratulatory bout:

"The new rules on the Supreme Court will contribute to the transparency of its functioning and will decrease the possibility of political interference."

Alas, it conveniently forgot to mention the rampant corruption in the nexus between politics and law in Hungary. Not to mention the brutal emasculation of the other critical watchdog: the media.

Hungary has been hitherto denied c. 12 billion euros in funds to no avail. No amount of money withheld will buy these members probity and healthy governance. Hungary is even blocking EU legislation in extortionate retaliation.

There is only one way to go about it: the EU needs to suspend members which hanker after Moscow and Beijing more than they care to imitate Brussels and Berlin.

The EU is the reification of a philosophy, the reincarnation of an ideology of liberal democracy at its fairest and best. Countries like Hungary and Poland taint and compromise this vision. They have no more claim to the EU than Turkey does. They should go their separate ways. They have no place in the EU.

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Time for #MenToo

By: Sam Vaknin, Brussels Morning

Russel Brand and Andrew Tate are among the vulgar and obnoxious personalities that came to define the online bedlam. Typically, their content is equal parts abhorrent and demented. As you must have gathered by now, I am not a fan of either non-gentleman.

Yet, what is being done to the former threatens to undermine the very rule of law and its underpinnings of fairness and due process.

4 anonymous accusers claimed in a documentary that Brand has sexually abused them 10-15 years ago. The Metropolitan police logged a few complaints about "non recent" alleged incidents. No one got arrested, charged, or even questioned.

Yet, the media have already found Brand to be a guilty "predator" and his accusers are branded (pun intended) "victims" and "survivors".

Moreover, in an egregious violation of every tenet of democracy, a committee of the British parliament, no less, has contacted online video platforms such as Rumble and "inquired" whether they are going to remove Brand's content and demonetize it the way YouTube has done, thus denying him the income he needs to defend himself. It was nothing short of a thinly veiled threat.

The Crown Prosecution Service (CPS) of the United Kingdom (UK) has recently criminalized "lovebombing": overzealous flirting in the first phase of a relationship.

There is no debate that rape and other forms of sexual assault should be penalized with the utmost severety.

But we are criminalizing and stigmatizing sex itself as well as most forms of flirting and courting.

Large swathes of romance and inter-dyadic dynamics are now promulgated as delinquent as is the majority of inter-gender interactions.

We have sterilized lovemaking and rendered it transactional with the novel requirement for "enthusiastic consent".

The law in many countries is heavily biased in favor of women: shockingly, rape is defined in the UK as the misuse of a penis only!

The justice system and "rape shield laws" have all but eradicated due process and the ability to defend oneself – if one is a man that is.

Nine out of ten conceivable and indispensable defense strategies are inadmissible and impermissible in cases involving intimate relationships. This is unprecedented and has no equivalent in any other type of criminal offense.

The laudable idea is to accord women some protection from public shaming and retraumatization. But victims of all crimes feel humiliated and are traumatized. There is no reason whatsoever to single out rape, let alone sexual assault.

Literally every sex act is now construed as sexual assault. More than half of all men (and women) report being wary of each other in the workplace (Pew Center).

Memory is highly unreliable: it degrades and is reframed with time (cf. studies by E. Loftus). Therefore, sexual offenses should be time debarred (there should be a statute of limitations) akin to other forms of bodily harm and assault.

Yet, in some countries in the West, rape is equated with murder: a complaint can be filed – and often is – decades after the alleged events have taken place. Witnesses have died or moved away, evidence has all but evaporated. Defense is thus rendered utterly impossible.

The cyclical argument is: only 2-10% of sex crimes allegations are false. The proof? The conviction rate in such cases is high. But the conviction rate is high because of the maxim that women who come forward should be automatically and unreservedly trusted to be telling the truth, the whole truth, and nothing but the truth.

Why this unprecedented assumption? Because sex crimes are under-reported (which they, indeed, are): women are unlikely to lie, knowing what is in store for them during the grueling and often humiliating investigation and judicial process ahead.

Yet, the true number of false allegation is probably much higher, according to multiple studies. Women lie about sexual encounters for many reasons. False sexual assault allegations – sometimes in the form of a collusion among several accusers - have been levied and weaponized for political purposes (Assange), to take prominent men down (franken), and as a form of extreme defamation (Trump).

Moreover: lying is much more common among certain psychopathological profiles, such as personality disorders. As the incidence and prevalence of Borderline, Narcissistic, Antisocial, Paranoid, and Histrionic personality disorders increases among women, the likelihood of mendacity among complainants skyrockets.

Liars should be punished as harshly as the penalties are for the offenses that they allege. Yet, very few of them are even prosecuted for fear of exerting a chilling effect on real victims.

Women are weaponizing these newfound indiscriminate juridical powers and are colluding in groups to ruin men's lives. In the wake of the #MeToo movement, celebrities have become the preferred targets – and lucrative settlements are all the rage among their victims, real and alleged.

Enthusiastic consent is an impractical, stultifying constraint: no two individuals maintain the same level of passion for any specific sex act. Good sex involves compromise and the wish to please one another – not selfish gratification. We are reducing sex to mutual masturbation.

The entire debate feeds off toxic versions of both feminism and masculinity. Misandrist sentiments equate the unraveling of the patriarchy with retribution for millennia of female subjugation. The woke, politically correct ideal is to eliminate gender altogether (unigender and the stalled revolution, cf. Lisa Wade work).

The pendulum has swung too far against men: young men are terrified to approach young women; every signaling behavior, however innocuous, amounts to sexual harassment; flirting and courting in the real world (IRL) are widely considered creepy and are even criminalized

Women are dissonant. They are caught between the still dominant sexual double standard (hypervigilant virtue) and invulnerability signaling: “I am the helpless victim, but I am also empowered, agentic, unaffected, and untouchable.”

Throughout post-modern societies, entitled grandiose victimhood has replaced dignity and reputational social control.

Current laws and their interpretation by the courts incentivize hyperbole or counterfactual reframing in a spiral of ever more fantastic accusations and allegations.

The aforementioned rise of narcissism, borderline (which is now being reconceived as a form of secondary psychopathy), and primary psychopathy among women leads to extreme fantasies, emotional dysregulation, acting out, psychotic microepisodes, dissociation, infantilism, and alloplastic defenses (blaming others for the predictable consequences and outcomes of your own regretted choices and decisions, never taking responsibility, never apologizing, never feeling guilty or blameworthy).

We must transition from the nebulous construct of enthusiastic consent towards behavioral or transactional consent. Behaviors before and after the fact provide an indispensable and often indisputable context. Post-facto remorse should not transform the acts performed into unwitting crimes. We should definitely do not apply norms and laws anachronistically and retroactively.

Transactional sex should never be criminalized, regardless of the identities of the willing participants: power asymmetries are inherent in every give and take, sexual or not. Moreover: women have always been the sexual gatekeepers and have been trading sex for favors since the dawn of Mankind.

Additionally, we should define far more narrowly and rigorously criminal offenses such as coercive control.

Finally: the playing field should be levelled. Many women are primary breadwinners, more educated than men, and have been known to be abusive, too – yet there are almost no persecutions of women for such offenses despite these clear power asymmetries.

For example:

Marital rape is criminalized as it should be. But the withholding of sex, affection, and intimacy should also be criminalized: it amounts to mental cruelty and is a manipulative control technique (a form of Machiavellianism).

Women should be prosecuted for harassment (including of the sexual sort), stalking, defamation, coercion, rape, and a host of other offenses currently enforced exclusively against men.

Equal power confers equal responsibility and equal liabilities. Women are having it both ways nowadays. It is time to end this malpractice.

The alternative is a reactionary male backlash against the hard-earned rights of women. We are witnessing the harbingers of this disturbing trend all over the globe, from rescinded abortion rights in the USA to Russia and Afghanistan where domestic violence has been decriminalized and access to the public sphere is being denied, respectively.

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Ukraine's Grain Under Russia's Reign

By: Sam Vaknin, Brussels Morning

Here is some breaking news: Russia and Ukraine compete in the same export markets for grain and fertilizer. Russia has zero incentive to help Ukraine with its outflows of both. Russia has all the reasons in the world to obstruct Ukraine's exports, especially since both polities are at war.

Russian drones have been busy demolishing Ukrainian ports and silos on the river Danube, only a few miles away from NATO member Romania. It is the only other route to Ukraine's markets, now that Russia has pulled out of the Türkiye-brokered deal that allowed its mortal foe to ship corn, wheat, and other products via the Black Sea.

Grain depots and other pertinent infrastructure in the city of Odesa are faring no better at the hands of the relentless Russian military. Several ports have been targeted, including Izmail and Reni. Hangars, warehouses, and storage tanks went up in flames. Nightly attacks are a daily occurrence. More than 60,000 tons of grain were incinerated there last week alone.

World exchanges are aghast. Ukraine is the 7th largest wheat exporter with more than 71% of its land cultivated.

On July 17 alone, the prices of cereals climbed between 8-10%. That was the day Russia extricated itself from the improbable Black Sea Grain Initiative which allowed war-ravaged Ukraine to sell close to 33 million metric tons of food to destinations on the brink of starvation worldwide.

If anyone has had any doubts about the psychopathic nature of Putin and his war, these recent assaults have put them to rest. By disrupting supplies, Russia is targeting the world's poor and famished whose main source of threadbare sustenance via various international aid programs consists of Ukraine's bread basket bounty.

Even more worrying is how brazenly close to NATO have Russian offensives become. Reni is a mere 200 meters across the river from a member country (Romania) and only 10 kilometers removed from one of its major ports, Galati.

Since Russia has invaded Ukraine, the Danube has been converted by its neighbours, Poland and Romania, into an alternative route for Ukraine's exports via rail, roads, and on water. The year preceding the invasion, the river carried 600,000 tons of grain into Europe and beyond. 12 months later, more than 2,000,000 tons.

But this is a fraction of the total available and at risk of rotting. The Danube is also exorbitantly more expensive than sea-going fare.

Some of the Ukrainian grain remained stuck in the countries along its path, driving down domestic prices and alienating local farmers in the process.

Putin lost no time in offering Russian grain to replace the vanquished Ukrainian harvests. Moscow will host 50 (out of 54) countries in a Russia-Africa summit and the Boss himself is hinting at “free of charge basis” comestibles for the more blighted areas on this continent.

"The countries in need will definitely receive the necessary assurances regarding their need for agricultural products" during the summit, vowed Russian Deputy Foreign Minister Sergei Vershinin.

In an op-ed syndicated in Kenya’s two largest papers, the Russian Ambassador to Kenya, Dmitry Maximychev, expostulated with the West for the failure of the previous arrangement. He accused Russia’s interlocutors for using “every trick” to bar Russian grain and fertilizers from global markets.

Caught in the crosshairs of this tit-for-tat are at least 1.3 billion people, most of them denizens of the attendant states in the summit.

The fate of the contracts which the much humbled Wagner group has with Mali, Sudan, and others is intricately and intimately linked to the looming famine. The Wagner mercenaries are paid in gold and other minerals which are then transferred to Russia’s dwindling coffers, at least in theory.

So, Russia is coerced to feign interest, however faint, in the African proposal for peace talks with Ukraine.

Putin himself is a liability: South Africa effectively barred him from attending an economic conference there owing to his newly acquired status as a fugitive from the justice meted out by the International Criminal Court. Having visited sub-Saharan Africa only once in the past two decades, he did not seem too crestfallen at his cancelled travel plans.

Russia is a negligible player in this vast and pivotal continent: less than 18 billion USD in annual trade and less than 1% of total FDI. No humanitarian aid to speak of. Promises to quintuple the exchange of good and services, made in the first Africa-Russia summit in 2019, floundered.

But Russia is Africa’s biggest arms supplier. It also rails against “colonial” interference in the internal affairs and traditional value systems of various countries there.

The West must not lose Africa whose population will make up 25% of the global tally by 2050. It is shocking nearsightedness that it is not offering to offset the shortages of food single-handedly, as it easily could.

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Censorship, West and East and the Rising Idiocracy

By: Sam Vaknin, Brussels Morning

Censorship is any suppression of speech that is motivated by an ideology or by the perception of risk avoidance. It is intended to prevent challenges to the interests of an existing establishment or system or to safeguard secrets and national security interests.

Censorship in authoritarian regimes, most of which are indeed in the east or global south, is overt and institutionalized. The red lines are promulgated publicly and punishments for transgressions are enshrined in criminal law.

In the West, censorship is far more pernicious: it is stealthy, self-imposed, and adheres to standards of political correctness that reflect the interests and concerns of the identity politics of vocal victimhood groups.

Worst of all: the very existence of censorship is denied in the West as public intellectuals, the mainstream media, and societal and legal institutions uphold the counterfactual myth of "free speech".

Censorship reflects the breakdown of trust in society and the need to use violence, both verbal and physical, to prevent the utter disintegration of the social fabric and the institutions that preserve the privileges of the elites.

The sociologists Bradley Keith Campbell and Jason Manning posited that have transitioned from the age of dignity and reputation to the age of victimhood. This is not just about identity politics: as multiple studies have demonstrated in the past 3 years, victimhood is a profitable proposition and a way to reallocate scarce economic resources coercively.

Additionally, we are in the throes of more than one century of unprecedented existential risks (from nuclear weapons and world wars to climate change and invasive surveillance).

The confluence of these two toxic trends has rendered speech a dangerous luxury. Speech acts are deemed subversive, offensive, or malicious, even life-threatening, both on the collective and on the individual level.

By far, political correctness is the greatest threat to our intellectual life and thriving. It has stifled legitimate scientific inquiry, stymied public discourse, and penalized free thinkers of all stripes. It is comparable only to the Inquisition or to McCarthyism.

There are various tactics used against public personalities:

Naming and shaming. Cancelling. Mobbing. Violence (Salman Rushdie, Jamal Kahshoggi, to mention but two). Verbal abuse. Smear campaigns. All tried and true methods originally perfected by narcissists and psychopaths.

But, mostly, censorship targets the masses, the media, your average student or teacher, small to medium size businesses. In short: censorship targets constituencies whose vested interests

in the current power structure are not great and who, therefore, are more open to evolutionary and even revolutionary ideas.

By far the most serious problem is the inexorable rise of the idiocracy.

Our contemporary world is ruled by the feebleminded, dimwits are empowered by technology, and everything is dumbed down to foster mass consumption.

In such a world, lower intelligence is a positive adaptation which confers evolutionary advantages on its bearers - and on their spouses and offspring.

The Stupid, the Trivial, and the Frivolous are everywhere: among the working classes, of course, but increasingly you can find them displacing the erstwhile elites, spawning hordes of mindless politicians, idiot business tycoons, narcissistic media personalities, gullible clergy, vacuous celebrities, illiterate bestselling authors, athletes with far more brawn than brain, repetitious pop singers, less than mediocre bureaucrats, bovine gatekeepers, and even ignorant and semi-literate academics.

Their cacophony drowns the few voices of wisdom, expertise, and experience and their sheer number overwhelms all systems of governance and all mechanisms of decision-making. Rather than futilely fight back this tsunami, the well-educated, the erudite, and the intelligent choose to withdraw and seclude themselves in self-constructed, schizoid ivory towers, all bridges drawn.

With technology at their disposal, The Stupid repeatedly interfere with and disrupt the proper functioning of virtually every system.

The Stupid, dimly aware of their innate inferiority, are anti-elitist, anti-intellectual, and anti-excellence. But, while in the past these remained mere sentiments, today they have become an ethos, a code of conduct, a set of values and ideals.

It is politically incorrect and impolite to claim any advantage and superiority. Egalitarianism is running amok. Everyone is equal: doctors and their patients; professors and their students; experts and laymen alike.

In an act of self-preservation, past civilizations had confined The Stupid to certain settlements, replete with their drinking establishments, entertainments, and sports arenas.

There, the “intellectually-challenged” could safely torment each other with their vulgarities and rampant, uninformed idiocy. The advent of radio, television, and, most egregiously, the Internet has changed all that: now stupid people have unmitigated access to the kind of technology that allows them to pollute the airwaves and the broadband with their inferior analytic capacity, low-brow output, trivial observations, monosyllabic exclamations, and harebrained queries.

Thus, the New Media have transformed stupidity from a mental endemic to a viral pandemic. The wise and knowledgeable may broadcast while the Stupid merely narrowcast – but the

Stupid have the upper hand, what with Google, Facebook, Twitter, Blogger, Amazon, and YouTube decimating the traditional print and electronic media.

This technological empowerment is the crux of the problem: there are no barriers to entry, no institutional filters, and no erudite and experienced intermediaries to hold back the avalanche of doltish balderdash, the tsunami of nonsense, and the flood of misinformation, factoids, and conspiracies that corrupt our intellectual space.

"Discovery": separating the wheat from the chaff has become mission impossible. Commercial interests inevitably and invariably side with the brainless masses because of their superior aggregate purchasing power. The privatization of education is one manifestation of this creeping decadence.

The mindless nature of television programming is another. The empty one-liners that comprise most "conversations" on social networks are its culmination. We are surrounded with clods, harassed by the lame-brained, criticized, censored, and ordered by simpletons.

Welcome to the New Dark Ages.

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EU: Private Sector No Substitute for Public Spending

By: Sam Vaknin, Brussels Morning

Fighting the last economic war seems to be a maxim of the European Union. The growing role of the private sector is coupled with the diminishing involvement of its public counterpart (down from 52.8% of GDP in 2020 to 49.8% last year). Government debt to GDP decreased from 88% to 84%. Government spending declined from 722 billion euros to 715 billion euros.

It is a maxim of current economic orthodoxy that governments compete with the private sector on a limited pool of savings. It is considered equally self-evident that the private sector is better, more competent, and more efficient at allocating scarce economic resources and thus at preventing waste. It is therefore thought economically sound to reduce the size of government - i.e., minimize its tax intake and its public borrowing - in order to free resources for the private sector to allocate productively and efficiently.

Yet, both dogmas are far from being universally applicable.

The assumption underlying the first conjecture is that government obligations and corporate lending are perfect substitutes. In other words, once deprived of treasury notes, bills, and bonds - a rational investor is expected to divert her savings to buying stocks or corporate bonds.

It is further anticipated that financial intermediaries - pension funds, banks, mutual funds - will tread similarly. If unable to invest the savings of their depositors in scarce risk-free - i.e., government - securities - they will likely alter their investment preferences and buy equity and debt issued by firms.

Yet, this is expressly untrue. Bond buyers and stock investors are two distinct crowds. Their risk aversion is different. Their investment preferences are disparate. Some of them - e.g., pension funds - are constrained by law as to the composition of their investment portfolios. Once government debt has turned scarce or expensive, bond investors tend to resort to cash. That cash - not equity or corporate debt - is the veritable substitute for risk-free securities is a basic tenet of modern investment portfolio theory.

Moreover, the "perfect substitute" hypothesis assumes the existence of efficient markets and frictionless transmission mechanisms. But this is a conveniently idealized picture which has little to do with grubby reality. Switching from one kind of investment to another incurs - often prohibitive - transaction costs. In many countries, financial intermediaries are dysfunctional or corrupt or both. They are unable to efficiently convert savings to investments - or are wary of doing so.

Furthermore, very few capital and financial markets are closed, self-contained, or self-sufficient units. Governments can and do borrow from foreigners. Most rich world countries - with the exception of Japan - tap "foreign people's money" for their public borrowing needs. When the US government borrows more, it crowds out the private sector in Japan - not in the USA.

It is universally agreed that governments have at least two critical economic roles. The first is to provide a "level playing field" for all economic players. It is supposed to foster competition, enforce the rule of law and, in particular, property rights, encourage free trade, avoid distorting fiscal incentives and disincentives, and so on. Its second role is to cope with market failures and the provision of public goods. It is expected to step in when markets fail to deliver goods and services, when asset bubbles inflate, or when economic resources are blatantly misallocated.

Yet, there is a third role. In our post-Keynesian world, it is a heresy. It flies in the face of the "Washington Consensus" propagated by the Bretton-Woods institutions and by development banks the world over. It is the government's obligation to foster growth.

In most countries of the world - definitely in Africa, the Middle East, the bulk of Latin America, central and eastern Europe, and central and east Asia - savings do not translate to investments, either in the form of corporate debt or in the form of corporate equity.

In most countries of the world, institutions do not function, the rule of law and properly rights are not upheld, the banking system is dysfunctional and clogged by bad debts. Rusty monetary transmission mechanisms render monetary policy impotent.

In most countries of the world, there is no entrepreneurial and thriving private sector and the economy is at the mercy of external shocks and fickle business cycles. Only the state can counter these economically detrimental vicissitudes. Often, the sole engine of growth and the exclusive automatic stabilizer is public spending. Not all types of public expenditures have the desired effect. Witness Japan's pork barrel spending on "infrastructure projects". But development-related and consumption-enhancing spending is usually beneficial.

To say, in most countries of the world, that "public borrowing is crowding out the private sector" is wrong. It assumes the existence of a formal private sector which can tap the credit and capital markets through functioning financial intermediaries, notably banks and stock exchanges.

Yet, this mental picture is a figment of economic imagination. The bulk of the private sector in these countries is informal. In many of them, there are no credit or capital markets to speak of. The government doesn't borrow from savers through the marketplace - but internationally, often from multilaterals.

Outlandish default rates result in vertiginously high real interest rates. Inter-corporate lending, barter, and cash transactions substitute for bank credit, corporate bonds, or equity flotations. As a result, the private sector's financial leverage is minuscule. In the rich West $1 in equity generates $3-5 in debt for a total investment of $4-6. In the developing world, $1 of tax-evaded equity generates nothing. The state has to pick up the slack.

Growth and employment are public goods and developing countries are in a perpetual state of systemic and multiple market failures. Rather than lend to businesses or households - banks thrive on arbitrage. Investment horizons are limited. Should the state refrain from stepping in to fill up the gap - these countries are doomed to inexorable decline.

In times of global crisis, these observations pertain to rich and developed countries as well. Market failures signify corruption and inefficiency in the private sector. Such misconduct and

misallocation of economic resources is usually thought to be the domain of the public sector, but actually it goes on everywhere in the economy.

Wealth destruction by privately-owned firms is typical of economies with absent, lenient, or lax regulation and often exceeds anything the public administration does. Corruption, driven by avarice and fear, is common among entrepreneurs as much as among civil servants. It is a myth to believe otherwise. Wherever there is money, human psychology is in operation and with it economic malaise. Hence the need for governmental micromamangement of the private sector at all times. Self-regulation is a costly and self-deceiving urban legend.

Another engine of state involvement is provided by the thrift paradox. When the economy goes sour, rational individuals and households save more and spend less. The aggregate outcome of their newfound thrift is recessionary: decreasing consumption translates into declining corporate profitability and rising unemployment. These effects are especially pronounced when financial transmission mechanisms (banks and other financial institutions) are gummed up: frozen in fear and distrust, they do not lend money, even though deposits (and their own capital base) are ever growing.

It is true that, by diversifying risk away, via the use of derivatives and other financial instruments, asset markets no longer affect the real economy as they used to. They have become, in a sense, "gated communities", separated from Main Street by "risk barriers". But these developments do not pertain to retail banks and when markets are illiquid and counterparty risk rampant, options and swaps are pretty useless.

The only way to effectively cancel out this demonetization of the national economy (this "bleeding") is through enhanced government spending. Where fearful citizens save, their government should spend on infrastructure, health, education, and information technology. The state's negative savings should offset multiplying private savings. In extremis, the state should nationalize the financial sector for a limited period of times (as Israel has done in 1983 and Sweden, a decade later).

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China’s Ponzi Scheme Economy

By: Sam Vaknin, Brussels Morning

When COVID-19 struck, China’s exports plummeted by 17.2% (January-February 2020 figures). In July 2023, they fell off a cliff, down by 14.5% on the heels of a 12% year on year drop in June and an almost uninterrupted string of similarly dismal figures since October 2022. Exports to China’s biggest destination, the USA, dropped by a whopping 23%.

This shocked everyone: China has removed its pandemic-related growth-stifling measures at the end of 2022.

Inflation and looming recessions in its target markets coupled with a tripling of benchmark interest rates within one year have all conspired to take a bite out of China’s only path to prosperity: exports. Imports shrank by 12.4% in July as orders for Chinese finished goods dried up and domestic demand declined sharply.

All told, China’s growth rate was a measly and unprecedented 0.8% in the second quarter of 2023. Youth unemployment is at 20%. The property sector is teetering on the verge of a meltdown with housing projects uncompleted and mortgage strikes.

The Chinese leadership is convulsing: rapidfire interest rate cuts by the central bank follow on the heels of delirious stimulus plans released frantically by China’s State Council. Growth is projected to be an increasingly unlikely 5% this year, a disenchanting figure even so.

There is very little room for stimulus spending or tax cuts in the wake of the massive public outlays during the pandemic.

Over the past 15 years, mounting sovereign debts crises in Europe and an anemic rebound in America's economy were more than offset by the emergence of Asia – and, in particular China and India - as a global powerhouse.

Yet, the warning signs were there: China's economic "miracle" has long been based on an artificial rate of exchange for its currency, the Yuan (RMB); on unsustainable dollops of government largesse and monetary quantitative easing which led to the emergence of asset bubbles (mainly in real-estate) and to pernicious inflation; and, frankly, on heavily-redacted statistics.

Real wages have been declining in China for quite a few years now as rural folk moved to burgeoning cities, bad loans proliferated, and consumption remained subdued as savings rates reached malignant, self-defeating levels.

In an effort to sanitize humungous export proceeds, China amassed trillions of dollars’ worth of foreign exchange reserves, mostly invested in American treasury bonds, creating a dangerous exposure to the vicissitudes of the increasingly-more decrepit US dollar and to America’s downgraded sovereign credit rating.

The Chinese authorities' attempts to clamp down on rampant speculation and price gouging are too little, too late, not to say irrelevant. The economy will screech to a shuddering halt in

the mother of all hard landings. The Chinese house of cards and hall of mirrors will collapse ominously and swiftly.

This will bring the entire global economic edifice into disarray with mounting imbalances and increased risk-aversion among investors. The second phase of this oncoming global crisis will resemble closely the Great Depression with massive write-offs in the values of equities, across-the-board crumbling of entire banking systems, and mounting, two-digit, unemployment rates everywhere.

How to reconcile this doomsday prognosis with China's uninterrupted string of decades of stellar (often two-digit) annual growth figures?

By seeing China for what it is: the world's greatest-ever Ponzi scheme. Behind the hype, spin, propaganda, and outright confabulations, China's economic miracle is founded in its entirety on a simple premise, a breathtakingly audacious prestidigitation: a large (equal to two-fifths of GDP) and steadily soaring balance of payments (current account) surplus (mainly with the USA, its addict-partner in this danse macabre) serves to disguise and directly underwrite the fetid outcomes of an all-pervasive state.

These include a mountain-range of rotting credits in the state-owned banks and local government; neglected sectors of the lopsided economy; and egregiously misallocated economic resources (mainly in the construction and retail sectors and via huge stimulus packages.)

In many countries government spending translates into GDP "growth" – but China is a special case: most of the seemingly inexorable mushrooming of its GDP had been faked this way in 2007-9, for example.

Indeed, it is China's very dependence on a weary and wary US consumer which spells its doom when the American music stops. Once it does, China's investment-driven economy will revert to crippling overinvestment, overcapacity, hidden unemployment and underemployment. In one word: history's worst deflation (or, worse yet, stagflation.)

We have seen it all before with Japan. The only difference being that Japan had a real and thriving private sector while China doesn't: its "private" sector – albeit officially accounting for three-fourths of its GDP - is mostly foreign-owned, export-oriented, or immersed in non-productive operations (read: speculation.)

Large swathes of China's economy – including and especially the mission-critical financial sector - are in the incompetent and venal hands of China's decidedly uncivil service and are "managed" (mismanaged rather) by bumbling and provincial party apparatchiks.

To this toxic brew one should add a devastated environment, a dysfunctional judicial system, shoddy accounting practices (including by Western multinationals), stunted capital markets, an obliterated countryside and dying agriculture, and a demographic time bomb: owing to the "one child" policy, China's population is ageing faster than any other major country's. This is not to mention political risk in an age of Facebook-driven Tweeted revolutions. Hong Kong was just the harbinger.

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The Future of Oil Prices

By: Sam Vaknin, Brussels Morning

Brent crude prices are hovering around the 85 USD mark. China's economic woes combined to keep prices in check despite the recent OPEC+ production cuts. A stabilizing USD, soaring interest rates, tightening bank credits, and sluggish manufacturing and trade should conspire to moderate price increases throughout 2024 despite drawdowns in global stocks.

Yet, the price of oil is no longer an important determinant of the economic health of the West. To create the same amount of economic output, manufacturers use much less oil than they used to.

Moreover, today, there are futures contracts, which allow one to fix the price of purchased oil well in advance. There are options contracts which can be used to limit one's risks as a result of trading in such futures contracts.

So, why is the price of oil on the ascendance?

Because oil has become a form of investment and a hedge against rising inflation. People plough their savings into oil and speculators drive the markets. As Saudi Arabia correctly observes, the price of oil is no longer determined merely by supply and demand.

Who decides on the domestic price of oil and its derivatives?

In some countries, prices are fixed entirely by market forces, supply and demand, usually through specialized exchanges (e.g., the Rotterdam Exchange). The market is completely deregulated: exports and imports are totally allowed and free.

In other countries, prices are fixed by a committee of representatives of the government, the oil industry, the biggest consumers of oil, and representatives of households and agricultural consumers.

In most countries, prices are changed every 3 or 6 months based on the cost of oil at a certain port of delivery. In Israel, for instance, the price of oil fluctuates every three months according to the price of oil delivered in certain Italian ports (where Israel gets most of its oil delivered). This is an automatic adjustment.

In a few countries the prices are fixed by the competent Ministry in accordance to the actual costs of the oil (importing, processing and distribution) + a fixed percentage (usually 15%). This is called a cost plus basis pricing method.

The international price of oil is determined by the following factors:

a. **The weather**. Cold weather increases consumption. The world is getting hotter. The 14 hottest years in history have been in the last 25 years. The warmer the climate - the less oil is consumed for heating, but the more oil is consumed for air conditioning.
b. **Economic growth**. The stronger the growth, the more oil is consumed (mostly for industrial purposes). The incredible economic development of countries like China

and India and the emergence of car-owning middle classes in many developing countries enhanced demand and contributed to the current crisis.

c. **Wars** increase oil consumption by all parties involved.
d. **Oil exploration budgets** are growing and new contracts have just been signed in the Gulf area (including Iraq), Brazil, the North Sea, Alaska, and Canada. The more exploration, the more reserves are discovered and exploited, thereby increasing the supply side of the oil equation.
e. **Lifting of sanctions** on Iraq, Iran and Libya will increase the supply of oil.
f. **Oil reserves** throughout the world are low and stocks are drawn down. This tends to enhance demand for newly produced oil.
g. When there is an **economic crisis** in certain oil producers (Russia, Nigeria, Venezuela, Iraq) it forces them to sell oil cheaply, sometimes in defiance of the OPEC quotas. This was the case in the late 1990s.
h. **OPEC+ agreements** to restrict or increase output and support price levels should be closely scrutinized. OPEC is not reliable and its members are notorious for reneging on their obligations. Moreover, OPEC members represent less than half the oil produced globally. Their influence is limited.
i. **Ecological concerns** and economic considerations lead to the development of alternative fuels and the enhanced consumption of LNG (gas) and coal, at oil's expense. Even nuclear energy is reviving as does solar energy.
j. **New oil exploration technology and productivity gains** allow producers to turn a profit even on cheaper oil. So, they are not likely to refrain from extracting and selling oil even if its price declines to 5 US dollars a barrel.
k. **Privatization and deregulation of oil industries** (mainly in Latin America and, much more hesitantly, in the Gulf) increases supply. Recent moves in countries like Venezuela, Russia, and Bolivia to re-nationalize their oil industries and unrest in countries like Nigeria raise global oil prices owing to uncertainty and increased political risk.
l. **Price volatility** induced by hedge funds and other derivatives has increased lately. But, as opposed to common opinion, financial players have no preference which way the price goes, so they are neutral.

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Education in the EU Should Remain a Public Good

By: Sam Vaknin, Brussels Morning

In April, the European Commission called for a massive investment in digital education and skills. The Commission identified the main problem as a lack of commitment and commensurate investments by member states in "in digital education and training infrastructure, equipment and digital education content, digital training (up-skilling) of teachers and staff, and monitoring and evaluation of digital education and training policies."

This raises the question: in view of these market failures, should we re-nationalize education – or leave it to the ostensibly self-correcting private sector? In other words: should we consider education a pubic good or a private one?

Contrary to common misconceptions, public goods are not "goods provided by the public" (read: by the government). Public goods are sometimes supplied by the private sector and private goods - by the public sector. It is the contention of this essay that technology is blurring the distinction between these two types of goods and rendering it obsolete.

Pure public goods are characterized by:

I. ***Nonrivalry*** - the cost of extending the service or providing the good to another person is (close to) zero.

Most products are rivalrous (scarce) - zero sum games. Having been consumed, they are gone and are not available to others. Public goods, in contrast, are accessible to growing numbers of people without any additional marginal cost. This wide dispersion of benefits renders them unsuitable for private entrepreneurship. It is impossible to recapture the full returns they engender. As Samuelson observed, they are extreme forms of positive externalities (spillover effects).

II. ***Nonexcludability*** - it is impossible to exclude anyone from enjoying the benefits of a public good, or from defraying its costs (positive and negative externalities). Neither can anyone willingly exclude himself from their remit.

III. ***Externalities*** - public goods impose costs or benefits on others - individuals or firms - outside the marketplace and their effects are only partially reflected in prices and the market transactions. As Musgrave pointed out (1969), externalities are the other face of nonrivalry.

The usual examples for public goods are lighthouses - famously questioned by one Nobel Prize winner, Ronald Coase, and defended by another, Paul Samuelson - national defense, the GPS navigation system, vaccination programs, dams, and public art (such as park concerts).

It is evident that public goods are not necessarily provided or financed by public institutions. But governments frequently intervene to reverse market failures (i.e., when the markets fail to provide goods and services) or to reduce transaction costs so as to enhance consumption or supply and, thus, positive externalities. Governments, for instance, provide preventive care -

a non-profitable healthcare niche - and subsidize education because they have an overall positive social effect.

Moreover, pure public goods do not exist, with the possible exception of national defense. Samuelson himself suggested [Samuelson, P.A - Diagrammatic Exposition of a Theory of Public Expenditure - Review of Economics and Statistics, 37 (1955), 350-56]:

"... Many - though not all - of the realistic cases of government activity can be fruitfully analyzed as some kind of a blend of these two extreme polar cases" (p. 350) - mixtures of private and public goods. (Education, the courts, public defense, highway programs, police and fire protection have an) ***"element of variability in the benefit that can go to one citizen at the expense of some other citizen"*** (p. 356).

From Pickhardt, Michael's paper titled ***"Fifty Years after Samuelson's 'The Pure Theory of Public Expenditure': What Are We Left With?"***:

"... It seems that rivalry and nonrivalry are supposed to reflect this "element of variability" and hint at a continuum of goods that ranges from wholly rival to wholly nonrival ones. In particular, Musgrave (1969, p. 126 and pp. 134-35) writes:

'The condition of non-rivalness in consumption (or, which is the same, the existence of beneficial consumption externalities) means that the same physical output (the fruits of the same factor input) is enjoyed by both A and B. This does not mean that the same subjective benefit must be derived, or even that precisely the same product quality is available to both. (...) Due to non-rivalness of consumption, individual demand curves are added vertically, rather than horizontally as in the case of private goods".

"The preceding discussion has dealt with the case of a pure social good, i.e. a good the benefits of which are wholly non-rival. This approach has been subject to the criticism that this case does not exist, or, if at all, applies to defence only; and in fact most goods which give rise to private benefits also involve externalities in varying degrees and hence combine both social and private good characteristics' ".

It would seem that knowledge - or, rather, technology - is a public good as it is nonrival, nonexcludable, and has positive externalities. The New Growth Theory (theory of endogenous technological change) emphasizes these "natural" qualities of technology.

The application of Intellectual Property Rights (IPR) alters the nature of technology from public to private good by introducing excludability, though not rivalry. Put more simply, technology is "expensive to produce and cheap to reproduce". By imposing licensing demands on consumers, it is made exclusive, though it still remains nonrivalrous (can be copied endlessly without being diminished).

Yet, even encumbered by IPR, technology is transformative. It converts some public goods into private ones and vice versa.

Consider highways - hitherto quintessential public goods. The introduction of advanced "on the fly" identification and billing (toll) systems reduced transaction costs so dramatically that privately-owned and operated highways are now common in many Western countries. This is an example of a public good gradually going private.

Books reify the converse trend - from private to public goods. Print books - undoubtedly a private good - are now available online free of charge for download. Online public domain books are a nonrivalrous, nonexcludable good with positive externalities - in other words, a pure public good.

Education used to be a private good with positive externalities. Thanks to technology and government largesse it is no longer the case. It is being transformed into a nonpure public good.

Technology-borne education is nonrivalrous and, like its traditional counterpart, has positive externalities. It can be replicated and disseminated virtually cost-free to the next consumer through the Internet, television, radio, and on magnetic media. MIT has recently placed 500 of its courses online and made them freely accessible. Distance learning is spreading like wildfire. Webcasts can host - in principle - unlimited amounts of students.

Yet, all forms of education are exclusionary, at least in principle. It is impossible to exclude a citizen from the benefits of his country's national defense, or those of his county's dam. It is perfectly feasible to exclude would be students from access to education - both online and offline.

This caveat, however, equally applies to other goods universally recognized as public. It is possible to exclude certain members of the population from being vaccinated, for instance - or from attending a public concert in the park.

Other public goods require an initial investment (the price-exclusion principle demanded by Musgrave in 1959, does apply at times). One can hardly benefit from the weather forecasts without owning a radio or a television set - which would immediately tend to exclude the homeless and the rural poor in many countries. It is even conceivable to extend the benefits of national defense selectively and to exclude parts of the population, as the Second World War has taught some minorities all too well.

Nor is strict nonrivalry possible - at least not simultaneously, as Musgrave observed (1959, 1969). Our world is finite - and so is everything in it. The economic fundament of scarcity applies universally - and public goods are not exempt. There are only so many people who can attend a concert in the park, only so many ships can be guided by a lighthouse, only so many people defended by the army and police. This is called "crowding" and amounts to the exclusion of potential beneficiaries (the theories of "jurisdictions" and "clubs" deal with this problem).

Nonrivalry and nonexcludability are ideals - not realities. They apply strictly only to the sunlight. As environmentalists keep warning us, even the air is a scarce commodity. Technology gradually helps render many goods and services - books and education, to name two - asymptotically nonrivalrous and nonexcludable.

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Should EU Choose Anarchy as an Organizing Principle?

By: Sam Vaknin, Brussels Morning

The recent spate of fraud and corruption scandals in the EU's institutions signals the end of an era. Disillusionment and disenchantment with the rapacious Anglo-Saxon model of dog eat dog capitalism may yet lead to a tectonic ideological shift from laissez faire and self-regulation to state intervention and regulation.

This would be the reversal of a trend dating back to Thatcher in Britain and Reagan in the USA. It would also cast some fundamental - and way more ancient - tenets of free-marketry in grave doubt.

Markets are perceived as self-organizing, self-assembling, exchanges of information, goods, and services. Adam Smith's "invisible hand" is the sum of all the mechanisms whose interaction gives rise to the optimal allocation of economic resources. The market's great advantages over central planning are precisely its randomness and its lack of self-awareness.

Market participants go about their egoistic business, trying to maximize their utility, oblivious of the interests and action of all, bar those they interact with directly. Somehow, out of the chaos and clamor, a structure emerges of order and efficiency unmatched. Man is incapable of intentionally producing better outcomes. Thus, any intervention and interference are deemed to be detrimental to the proper functioning of the economy, they disrupt the "price signal".

It is a minor step from this idealized worldview back to the Physiocrats, who preceded Adam Smith, and who propounded the doctrine of "laissez faire, laissez passer" - the hands-off battle cry.

Theirs was a natural religion. The market, as an agglomeration of individuals, they thundered, was surely entitled to enjoy the rights and freedoms accorded to each and every person. John Stuart Mill weighed against the state's involvement in the economy in his influential and exquisitely-timed "Principles of Political Economy", published in 1848.

Undaunted by mounting evidence of market failures - for instance to provide affordable and plentiful public goods - this flawed theory returned with a vengeance in the last two decades of the past century. Privatization, deregulation, and self-regulation became faddish buzzwords and part of a global consensus propagated by both commercial banks and multilateral lenders.

As applied to the professions - to accountants, stock brokers, lawyers, bankers, insurers, and so on - self-regulation was premised on the belief in long-term self-preservation. Rational economic players and moral agents are supposed to maximize their utility in the long-run by observing the rules and regulations of a level playing field.

This noble propensity seemed, alas, to have been tampered by avarice and narcissism and by the immature inability to postpone gratification. Self-regulation failed so spectacularly to conquer human nature that its demise gave rise to the most intrusive statal stratagems ever devised. In both the UK and the USA, hitherto bastions of hands-off, the government is much

more heavily and pervasively involved in the minutia of accountancy, stock dealing, and banking than it was only two decades ago.

But the ethos and myth of "order out of chaos" - with its proponents in the exact sciences as well - ran deeper than that. The very culture of commerce was thoroughly permeated and transformed. It is not surprising that the Internet - a chaotic network with an anarchic modus operandi - flourished at these times.

The dotcom revolution was less about technology than about new ways of doing business - mixing umpteen irreconcilable ingredients, stirring well, and hoping for the best. No one, for instance, offered a linear revenue model of how to translate "eyeballs" - i.e., the number of visitors to a Web site - to money ("monetizing"). It was dogmatically held to be true that, miraculously, traffic - a chaotic phenomenon - will translate to profit - hitherto the outcome of painstaking labour.

Privatization itself was such a leap of faith. State owned assets - including utilities and suppliers of public goods such as health and education - were transferred wholesale to the hands of profit maximizers. The implicit belief was that the price mechanism will provide the missing planning and regulation. In other words, higher prices were supposed to guarantee an uninterrupted service. Predictably, failure ensued - from electricity utilities in California to railway operators in Britain and utilities in every other country.

The simultaneous crumbling of these urban legends - the liberating power of the Net, the self-regulating markets, the unbridled merits of privatization - inevitably gave rise to a backlash.

The state has acquired monstrous proportions in the decades since the Second world War. It is about to grow further and to digest the few sectors hitherto left untouched. To say the least, this not not good news. But we libertarians - proponents of both individual freedom and individual responsibility - have brought it on ourselves by thwarting the work of that invisible regulator - the market.

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Putin's Doomed Adversaries

By: Sam Vaknin, Brussels Morning

Did Prigozhin fake his own death? I would have had I been in his shoes. But it seems that another one has bitten the dust. Literally. Prigozhin plummeted to his death together with 9 of his lieutenants in an exploding private jet a mere 2 months after having squared off against Russia's inept and corrupt military establishment, aka Putin's long arm.

Prigozhin is only the latest in a long list going back at least two decades. Putin's adversaries meekly surrender their business empires, die (Berezovsky, Nemtsov), almost die (Navalny), or spend the better part of their lives in lethal penal colonies (Khodorkovsky, Navalny).

Russia is frozen in time. Nothing has changed since the days of Peter the Great. Here is an excerpt from the first edition of my book, "Putin's Russia", published in 2002 (!):

"Being a KGB officer was always a lucrative and liberating proposition. Access to Western goods, travel to exotic destinations, making new (and influential) friends, mastering foreign languages, and doing some business on the side (often with one's official "enemies" and unsupervised slush funds) - were all standard perks even in the 1970's and 1980's. Thus, when communism was replaced by criminal anarchy, KGB personnel (as well as mobsters) were the best suited to act as entrepreneurs in the new environment. They were well traveled, well connected, well capitalized, polyglot, possessed of management skills, disciplined, armed to the teeth, and ruthless. Far from being sidetracked, the security services rode the gravy train. But never more so than now.

January 2002. Putin's dour gaze pierces from every wall in every office. His obese ministers often discover a sudden sycophantic propensity for skiing (a favorite pastime of the athletic President). The praise heaped on him by the servile media (Putin made sure that no other kind of media survives) comes uncomfortably close to a Central Asian personality cult. Yet, Putin is not in control of the machinery that brought him to the pinnacle of power, under-qualified as he was. This penumbral apparatus revolves around two pivots: the increasingly fractured and warlord controlled military and, ever more importantly, the KGB's successors, mainly the FSB.

The FSB (the main successor to the KGB)

NOTE: The KGB was succeeded by a host of agencies. The FSB inherited its internal security directorates. The SVR inherited the KGB's foreign intelligence directorates.

With the ascendance of the Vladimir Putin and his coterie (all former KGB or FSB officers), the security services revealed their hand - they are in control of Russia and always have been. They number now twice as many as the KGB at its apex. Only a few days ago, the FSB had indirectly made known its enduring objections to a long mooted (and government approved) railway reform (a purely economic matter). President Putin made December 20 (the day the murderous Checka, the KGB's ancestor, was established in 1917) a national holiday.

But the most significant tectonic shift has been the implosion of the unholy alliance between Russian organized crime and its security forces. The Russian mob served as the KGB's long

arm until 1998. The KGB often recruited and trained criminals (a task it took over from the Interior Ministry, the MVD). "Former" (reserve) and active agents joined international or domestic racketeering gangs, sometimes as their leaders.

After 1986 (and more so after 1991), many KGB members were moved from its bloated First (SVR) and Third Directorates to its Economic Department. They were instructed to dabble in business and banking (sometimes in joint ventures with foreigners). Inevitably, they crossed paths - and then collaborated - with the Russian mafia which, like the FSB, owns shares in privatized firms, residential property, banks, and money laundering facilities.

The co-operation with crime lords against corrupt (read: unco-operative) bureaucrats became institutional and all-pervasive under Yeltsin. The KGB is alleged to have spun off a series of "ghost" departments to deal with global drug dealing, weapons smuggling and sales, white slavery, money counterfeiting, and nuclear material.

In a desperate effort at self-preservation, other KGB departments are said to have conducted the illicit sales of raw materials (including tons of precious metals) for hard currency, and the laundering of the proceeds through financial institutions in the West (in Cyprus, Israel, Greece, the USA, Switzerland, and Austria). Specially established corporate shells and "banks" were used to launder money, mainly on behalf of the party nomenklatura. All said, the emerging KGB-crime cartel has been estimated to own or control c. 40% of Russian GDP as early as 1994, having absconded with c. $100 billion of state assets.

Under the dual pretexts of "crime busting" and "fighting terrorism", the Interior Ministry and FSB used this period to construct massive, parallel, armies - better equipped and better trained than the official one.

Many genuinely retired KGB personnel found work as programmers, entrepreneurs, and computer engineers in the Russian private sector (and, later, in the West) - often financed by the KGB itself. The KGB thus came to spawn and dominate the nascent Information Technology and telecommunications industries in Russia. Add to this former (but on reserve duty) KGB personnel in banks, hi-tech corporations, security firms, consultancies, and media in the West as well as in joint ventures with foreign firms in Russia - and the security services' latter day role (and next big fount of revenue) becomes clear: industrial and economic espionage. Russian scholars are already ordered (as of last May) to submit written reports about all their encounters with foreign colleagues.

This is where the FSB began to part ways with crime, albeit hitherto only haltingly.

The FSB has established itself both within Russian power structures and in business. What it needs now more than money and clout - are respectability and the access it brings to Western capital markets, intellectual property (proprietary technology), and management. Having co-opted criminal organizations for its own purposes (and having acted criminally themselves) - the alphabet soup of security agencies now wish to consolidate their gains and transform themselves into legitimate, globe-spanning, business concerns. The robbers' most fervent wish is to become barons. Their erstwhile, less exalted, criminal friends are on the way. Expect a bloodbath, a genuine mafia gangland war over territory and spoils. The result is by no means guaranteed."

Plus ça change.

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Europe's Renewables Energy Crisis

By: Sam Vaknin, Brussels Morning

The war in Ukraine forced Europe to face up to its energy dependencies and brought it to the brink of a crisis. Net zero emissions regulatory upheavals only enhanced the mayhem. The obvious answer seems to be the diversification of energy sources away from much maligned fossil fuels and into renewables.

But Europe is far from monolithic. Spain is besotted with solar energy and wind energy is the bon ton in the North Sea. France is sticking to nuclear power. Both eastern Europe and Germany are hopeless coal addicts, phaseout pledges notwithstanding.

The EU's Fit for 55 target of a 55% reduction in emissions by 2030 is both laudable and delusional. The REPowerEU investment scheme (45% renewable energy sourcing by the same date) is a receding mirage. It faces fierce resistance from the eastern members and the ever ornery France.

Admittedly, 300 billion euros in loans and grants towards climate goals is nothing to sneeze at. But the sunk costs in the European power grid are a formidable obstacle.

Renewables are already cheaper than coal and gas. But the demand for electricity is soaring and hampering an orderly infrastructural transition: electric vehicles, industrial processes, heating, energy storage capacity, and vast distances between generation and consumption all conspire to slow down the future.

China is the main supplier of rare earths and solar panels as well as raw materials. So is Russia. Europe needs to disentangle itself from these increasingly more aggressive, anti-Western, and authoritarian foes (a process euphemistically known as "derisking"). The recent Critical Raw Materials Act is a step in this right direction. But this sought after independence has its price and will delay the greening of energy in Europe.

Still, are we looking at the problem the wrong way?

The pursuit of "energy security" has brought us to the brink. It is directly responsible for numerous wars, big and small; for unprecedented environmental degradation; for global financial imbalances and meltdowns; for growing income disparities; and for ubiquitous unsustainable development.

It is energy ***insecurity*** that we should seek.

The uncertainty incumbent in phenomena such as "peak oil", or in the preponderance of hydrocarbon fuels in failed states fosters innovation. The more insecure we get, the more we invest in the recycling of energy-rich products; the more substitutes we find for energy-intensive foods; the more we conserve energy; the more we switch to alternatives energy; the more we encourage international collaboration; and the more we optimize energy outputs per unit of fuel input.

A world in which energy (of whatever source) is abundant and predictably available would suffer from entropy, both physical and mental. The vast majority of human efforts revolve around the need to deploy our meager resources wisely. Energy also serves as a geopolitical "organizing principle" and disciplinary rod.

Countries which waste energy (and the money it takes to buy it), pollute, and conflict with energy suppliers end up facing diverse crises, both domestic and foreign. Profligacy is punished precisely because energy in insecure. Energy scarcity and precariousness thus serve as global regulatory mechanisms.

But the obsession with "energy security" is only one example of the almost religious belief in "scarcity".

The quest for alternative, non-fossil fuel, energy sources is driven by two misconceptions: (1) The mistaken belief in "peak oil" (that we are nearing the complete depletion and exhaustion of economically extractable oil reserves) and (2) That market mechanisms cannot be trusted to provide adequate and timely responses to energy needs (in other words that markets are prone to failure).

At the end of the 19th century, books and pamphlets were written about "peak coal". People and governments panicked: what would satisfy the swelling demand for energy? Apocalyptic thinking was rampant.

Then, of course, came oil. At first, no one knew what to do with the sticky, noxious, and occasionally flammable substance. Gradually, petroleum became our energetic mainstay and gave rise to entire industries (petrochemicals and automotive, to mention but two).

History will repeat itself: the next major source of energy is very unlikely to be hatched up in a laboratory. It will be discovered fortuitously and serendipitously. It will shock and surprise pundits and laymen alike. And it will amply cater to all our foreseeable needs. It is also likely to be greener than carbon-based fuels.

More generally, the market can take care of itself: energy does not have the characteristics of a public good and therefore is rarely subject to market breakdowns and unalleviated scarcity. Energy prices have proven themselves to be a sagacious regulator and a perspicacious invisible hand.

Until this holy grail ("the next major source of energy") reveals itself, we are likely to increase the shares of nuclear, solar, and wind sources in our energy consumption pie. Our industries and cars will grow even more energy-efficient.

But there is no escaping the fact that the main drivers of global warming and climate change are population growth and the emergence of energy-guzzling middle classes in developing and formerly poor countries. These are irreversible economic processes and only at their inception.

Global warming will, therefore, continue apace no matter which sources of energy we deploy. It is inevitable. Rather than try to limit it in vain, we would do better to adapt ourselves: avoid the risks and cope with them while also reaping the rewards (and, yes, climate change has many positive and beneficial aspects to it).

Climate change is not about the demise of the human species as numerous self-interested (and well-paid) alarmists would have it. Climate change is about the global redistribution and reallocation of economic resources. No wonder the losers are sore and hysterical. It is time to consider the winners, too and hear their hitherto muted voices. Alternative energy is nice and all but it is rather besides the point and it misses both the big picture and the trends that will make a difference in this century and the next one.

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Three Seas, One Destiny

By: Sam Vaknin, Brussels Morning

In a summit in Bucharest, Greece became the 13th (naturally) member of the obscure Three Seas Initiative. Ukraine and Moldova are expected to be granted partner status.

The Three Seas are the Baltic, Black, and Adriatic. The membership represents a crosscut of central and east European EU "new" members (the 2004 wave of EU enlargement): Austria (the only veteran EU member), Bulgaria, Croatia, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Romania, Slovakia and Slovenia.

It is the second incarnation of "Intermarium", a failed Polish initiative in the 1930s. That was an attempt to create an anti-Stalin and anti-Hitler block and it failed because the appeal of both Nazism and Communism proved to have been too seductive.

In 2015, Poland and Croatia teamed up to revive the moribund idea of a central European ballast. In the first summit in Dubrovnik in 2016, the emphasis was on infrastructure, every politician's favorite.

It took only a year for the USA and Germany to pounce on the new alignment and "bear hug" it.

In the summits in Warsaw in 2017 and in Bucharest the year after, Germany made its wish to get "more involved" loud and clear. The USA suggested a "closer cooperation". An investment fund was set up as a carrot. The stick was all too obvious.

The Initiative is a talk shop centred around economic growth, development, and cooperation, It is supported by the United States, the European Commission, Germany, and assorted Western multilaterals.

The foci are energy, transport, and digital infrastructure. But the real agenda is to create a mostly southern and eastern counterweight to the northern hard core of the EU. The Initiative is a reification of the divisions within the EU between an old and a new Europe.

The dreaded dependence on Russian energy and its potential for geopolitical blackmail spurred the more anti-Russian members to diverge from the likes of a "neutral" Germany.

But money talks. The unhappy members of Three Seas Initiative represent less than one tenth of the EU's GDP. Their leverage is laughable.

This asymmetry resulted in the escalated politicization of the Initiative. Russia's brutal mauling of Ukraine prompted a rethink of the "only EU members" original mandate. Hence the partnership status conferred on Russia's current victim (Ukraine) and its potential future target (Moldova).

Forums like the Three Seas Initiative are bound to proliferate in the wake of Brexit and the invasion of Ukraine. Both cataclysmic events exposed irremediable fissures in the EU. Recent elections in the likes of Slovakia confirm this drift away from common values and geopolitical loyalty to the West.

The EU is imploding glacially but perceptibly. Attempts by the USA and Germany to strongarm members into compliance will backfire: witness the recent expansion of BRICS to include Iran, among others.

The truth is that the EU tsunamis of enlargement failed to create a great tent. Instead, they brought into sharp relief axiological incompatibilities and adversarial self-interests of the various members, old and new.

The Three Seas Initiative is an act of protest combined with a hurried and perfunctory reaction to mounting anxieties. It does not bode well to the future of the EU – or of the declining civilization of the West.

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The Black Future of the Black Sea

By: Sam Vaknin, Brussels Morning

In 2016-8, I spent nearly two years by the Black Sea in Krasnodar, Gelendzhik, and Sochi. Russia is a landlocked empire and the Black Sea is its make-believe exit to the world. Make-believe because the Black Sea is an inland body of water, trapped hopelessly between Europe and Asia – mentally as well as geographically.

Now, the Black Sea and its environs are the scene of war between Russia and Ukraine. Ever since the demise in mid-July of the implausible grain deal between the two, they have been bombing each other's merchant ships, naval vessels, infrastructure, and port facilities. As Ukraine has put it recently, ports in the black sea are "war-risk areas".

The retaking of Crimea by Russia in 2014 complicated matters. The Black Sea is both a hinterland and a bridge to the peninsula. Moreover: several NATO countries claim interests in the Black Sea, including Russia's traditional adversaries Turkey and Romania and its sycophant Bulgaria.

Yet, no one bar Russia and Ukraine has vital strategic and economic interests in the Sea. This fact renders the Black Sea theatre an internecine affair between these two combatants.

Both the Russian Empire and the USSR of yore leveraged access to the Black Sea to project influence – and menace – in multiple domains: the Mediterranean, North Africa (recent example: Libya), southern Europe, and the Middle East (e.g. Syria and the Russian naval base in Tartus).

The much celebrated – and recently battered by Ukraine - Black Sea fleet has been a continuous presence in Sevastopol in Crimea ever since 1793. It is the only deep water port at Russia's disposal and can therefore be used in winter, too.

Under international law of the seas, Russia by right should own only about 10% of the coastline. In reality, though, it deters any attempts to encroach on its control of more than one third of it. It invaded Georgia and established Abkhazia – a Black Sea hugging Kremlin puppet "state" – precisely for this reason.

Military considerations apart, most of Russia's non-energy exports, such as grain and fertilizers, transit via Black Sea ports. This is especially vital now: Western sanctions served to redirect Russia's trade at non-complying countries which can be supplied only via these littoral outlets.

But the same applies to Ukraine: about 50% of its exports – mainly wheat, barley, and sunflower oil - were processed prior to the war in Odesa, the country's most sizable Black Sea port.

The developing and poor world's food supply depends critically on the uninterrupted flow of these commodities: one quarter of the world's consumed and processed wheat, one fifth of its

barley, and a whopping three fifths of its sunflower oil consumption originate in Black Sea harbors. Land routes via the European Union are no substitute: they are prohibitively costly and inefficacious.

For decades now, the European Union and NATO have been encircling Russia on the Black Sea: Georgia and Ukraine have been granted EU associate status recently. The West is attempting to secure this indispensable east-west, Asia-Europe supply corridor.

It is not only about sunflower oil, of course. Europe needs to wean itself off Russian energy and the only way to accomplish this reasonably fast is to import oil from the Caucasus. Azerbaijan is now a supplier, shunting its oil and gas to Europe via Georgia and Turkey. This Black Sea route bypasses both pariahs: Russia and Iran.

NATO is not far behind the EU as far as geostrategy goes: it has been holding major exercises in the Black Sea every year since 1997. Three NATO navies are permanently stationed there, mere kilometers away from Russia's borders.

Ever since 1936 (the Montreux Treaty), Turkey, now a pivotal member of NATO, has been in control of the Bosporus and Dardanelles straits, the choking points on the way to the Mediterranean. It has closed these passageways to all warships in the wake of the invasion of Ukraine, attempting to portray itself as a neutral trade hub and a trustworthy mediator on this crossroads.

The Ukraine war is mostly about access to the Black Sea and, exactly as Russia claims, it is a war by proxy between the West and the Rest. But it is bound to escalate and engulf other littoral powers, most notably Turkey and Romania. This may yet evolve into a 21st century version of the Seven Years war.

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Russia's Kosovo: Nagorno-Karabakh

By: Sam Vaknin, Brussels Morning

Russia has never been more unpopular in Armenia than nowadays – and it has nothing to do with the war in Ukraine, for a change.

The former Russian President, loose cannon Medvedev, even resorted to threatening the life of Armenia's Prime Minister, Nikol Pashinyan: "Guess what fate is awaiting him", he said, in a typically deranged outburst.

Across the proverbial aisle, nationalist Armenians demonstrate in the streets and call for Pashinyan's impeachment as a "traitor" for his role in the 2020 capitulation agreement and for his inactivity in the face of current Azeri aggression. Either way, his days are numbered.

Ironically, Pashinyan's premiership is the outcome of exactly such sentiments directed at his predecessors in 2018.

Ostensibly, Russia and Armenia are allies. But Russia is selling weapons to both former Soviet republics: to Armenia and to its mortal enemy Azerbaijan (though only the former enjoys a discount on its purchases).

Three years ago, the two polities clashed militarily, resulting in well over 6,000 fatalities. Nagorno-Karabakh (Artsakh in Armenian), an enclave of 120,000 militant Armenians at the heart of Azaerbaijan, was then at stake as it is now.

In 1994, the new state of Armenia borrowed the Serbian playbook and teamed with local Armenian militias to conquer not only Nagorno-Karabakh but vast swathes of outlying lands. Azerbaijan was able to reclaim these territories only in 2020.

On that occasion, Russia unwisely stepped in at the behest of Armenia and dispatched a contingent of peacekeepers to the disputed, still smoldering region. Skirmishes abounded ever since 1994 and never ceased.

Fast forward to this week for a repeat of the hostilities. Starting in December 2022, Azerbaijan blocked the only road connecting Nagorno-Karabakh with Armenia, known as the Lachin corridor. Russian peacekeepers stood idly by, abrogating their duty for all to witness.

Azerbaijan claimed that the thoroughfare had been abused by the Armenians to smuggle weapons in and extracted mineral resources out.

But the siege thus enforced on Nagorno-Karabakh led to an alarming drop in the levels of foodstuffs and to the menace of an imminent famine.

It took months for the Red Cross to arrange for the shipment of a paltry 20 tons of flour as well as some rudimentary medical supplies. To the dismay of all Armenians, the convoy transitioned through Azerbaijani held territory.

Conveniently, on cue, 4 soldiers and 2 civilians were blasted to smithereens by Armenian landmines. This gave Azerbaijan the pretext to shell the enclave with artillery.

Exactly like Kosovo in former Yugoslavia, tiny mountainous Nagorno-Karabakh is culturally and historically significant to both foes.

Exactly like Kosovo, it enjoyed an autonomous status within the surrounding territory of Azerbaijan during the good ole' times of the USSR.

Exactly like Kosovo, the Armenian majority drove out the indigenous Azeris in an act of ethnic cleansing made possible by the abrupt disintegration of the Russian land empire.

In 2020, the picture had been reversed, with about 90,000 Armenians displaced, setting their abodes ablaze to deny them to the incoming Azeri settlers.

And this is where it gets interesting: Armenia hosts a Russian military base. It used to be a steadfast ally of Putin's. There are sizable and influential Armenian minorities scattered throughout Russia, especially in its cities and in the south of the Russian Federation.

But relations between the erstwhile dyad have deteriorated visibly.

This year, Armenia turned down a Russian request to conduct military exercises of the CTSO (Collective Treaty Security Organization) on its turf. Instead, it held joint exercises with US troops.

To add insult to injury, Armenia has been providing Russia's archenemy, Ukraine, with "humanitarian" aid.

The conflict in its backyard is further eroding Russia's image as an omnipotent regional force (let alone a superpower). It failed to prevail on Azerbaijan to honor its commitments and reopen the corridor to Armenia. It even suggested that Armenia should recognize Azeri sovereignty over the beleaguered and contested region. In short: it doesn't pay to be Russia's ally nowadays.

In the meantime, Armenians trapped in the fighting are desperately attempting to flee the scene to Russia via the Russian controlled airport of Stepanakert (Khankendi is the Azeri name of the capital). Thousands are internally displaced and hundreds killed. Talks are being held between the two warring communities in Yevlakh.

Russia is losing the war in Ukraine. Russia is forfeiting its support in Armenia. Russia has lost its access to Western markets and financial infrastructure. Putin's days seem more numbered by the day.

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Europe's Conspiracy Politics

By: Sam Vaknin, Brussels Morning

The ruling Conservative Party in the UK, campaigning for votes, floated the counterfactual twin conspiracy theories of tax on meat and 15-minute neighborhoods, supposedly intended to restrict people's freedom of movement.

Senior as well as fringe politicians in Poland, Italy, Lithuania, and Bulgaria are pushing the "eat insects instead of meat" tripe trope which originated, where else, on Russian TV.

It was the murder of John F. Kennedy, America's youthful president, that ushered in a golden age of conspiracy theories.

The distrust of appearances and official versions was further enhanced by the Watergate scandal in 1973-4. Conspiracies and urban legends offer meaning and purposefulness in a capricious, kaleidoscopic, maddeningly ambiguous, and cruel world. They empower their otherwise helpless and terrified believers.

New World Order, one world government, Zionist and Jewish cabals, Catholic, black, yellow, or red subversion, Q-Anon, the machinations attributed to the freemasons and the illuminati - all flourished yet again from the 1970's onwards.

Paranoid speculations reached frenzied nadirs following the deaths of celebrities, such as "Princess Di". Books like "The Da Vinci Code" (which deals with an improbable Catholic conspiracy to erase from history the true facts about the fate of Jesus) sell millions of copies worldwide.

But there is more to conspiracy theories than mass psychegenic illness. It is also big business. Voluntary associations such as the Ku Klux Klan and the John Birch Society are past their heyday. But they still gross many millions of dollars a year. TV talk shows, documentaries, tabloids, dedicated magazines, online forums, games, and YouTube channels with millions of subscribers make hay for both content creators and platforms.

Conspiracism is the propensity to believe in unproven and unverified oft-repeated conspiracy theories, urban legends, myths, and patent falsehoods, usually involving an evil intent of a cabal to abuse, manipulate, and exploit the unsuspecting masses.

Most people are gullible and believe literally anything and anyone: a well-documented and thoroughly researched phenomenon known as base rate (fallacy).

They then defend their misconceptions fiercely as they actively align themselves with others and signal their uncritical conformity in like-minded tribes and silos.

Frequent exposure in these echo chambers to toxic nonsense solidifies the belief in these outlandish and inane narratives, a phenomenon known as "consistency". Social media leverage consistency as grist to their perpetuum mobile rumor and gossip mills.

Other cognitive distortions feed into conspiracism. Consider the proportionality bias: the erroneous conviction that great events are caused by commensurately massive reasons, plots, and dynamic processes. This flies in the face of chaos theory and its butterfly effect: a lone grandiose gunman in Texas can rock the entire world with a single shot.

We also find patterns where there are none (apophenia and pareidolia), connect dots that should remain discrete, and find continuities in the disparate and the unrelated, including other people's actions as related to their imputed motivations (intentionality bias)

Conspiracism is a personality trait. Even after a favorite conspiracy is debunked, there is a counterfactual residue left (continued influence effect). The more you try to argue with a true believer, the more entrenched s/he becomes in his/her misinformation and paranoid skepticism (backfire effect)

Conspiracies thrive on ignorance: we don't know what causes autism - enter the anti-vaxxers. There is a smidgen of grandiosity involved as people trust their gut instincts and consider themselves "enlightened", "in the know", superior to the sheeple, and adepts.

YUPTIE is a yuppie with a white trash background. You can find them mainly in the arts, including the performing arts, fashion, on television, and in information technology. Yupties are Young, Urban, Upwardly mobile, Trash.

They are functionally illiterate, are high-income, schizoid loners, and possessed of the manners, habits, and values of the underclass. When they do socialize it is to binge drink, do drugs, dance all night, and end up having casual sex with strangers. They have no families and are highly itinerant and desultory. They are not as materialistic and competitive as their forerunners, the yuppies. Many of them have serious mental health problems such as mood disorders and personality disorders, mostly Borderline and Narcissistic.

Yupties despise learning, experts, the elites, and intellectuals. They are highly paranoid and into conspiracy theories. They congregate in professional conventions but otherwise communicate and collaborate exclusively online. They are both amoral and immoral or even defiantly antisocial. They dress like white trash, neglect their bodies (except to adorn them with prison gang tattoos) and gorge on all manner of medication. They wallow in video games and pointless TV series. They are pathetic wannabe bad boys and gals.

The British historian, Arnold Toynbee, said that when most members of society adopt the behaviors and customs of the ignorant, impoverished, and inert lowest class and when the elites abrogate their responsibility to show the way and to educate - these are the hallmarks of a dying civilization. Yupties are the maggots on and in the corpse of what used to be the West.

But conspiracism underlies even modern psychology itself!

Treatment modalities (psychotherapies) belong to either of two camps: the WYSIWYG (what you see is what you get) no-nonsense correctional officers (example: Cognitive-Behavioral Therapies or CBT) and the WYDSIWYG conspiracy theorists (what you don't see - depth psychology, the unconscious, complexes, the shadow - is what you get).

The first school assumes that overt behaviors and speech faithfully reflect the patient's inner landscape.

The second group is convinced that manifest conduct and words are there to compensate for or misrepresent underlying psychodynamic processes as well as whole continents of repressed, festering material. There is always a "conspiracy", a collusion between various psychological constructs to hide the true self. In this sense, everyone has a false self to some degree (Jung, Goffman, Winnicott)

The very word "personality" presupposes the existence of a mask ("persona") intended to conceal various fears (abandonment, rejection, ostracism, failure); camouflage thwarted needs, urges, drives, desires, and emotional expression; avoid true intimacy for the dread of being shunned, sadistically criticized, or hurtfully ridiculed; and defend - via defense mechanisms - against the incursion and encroachment of ego-dystonic, uncomfortable, disorienting, and painful reality.

We have an innate need to make sense of the world. The more uncertain reality is, the more inclined we are to impose counterfactual narratives on it. But it is when these works of fiction hijack politics that we are in real trouble.

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The Rise of the Other Asia

By: Sam Vaknin, Brussels Morning

Both Russia and China are struggling with economic crises brought on by an ill-conceived war of aggression and by the glacial bursting of a bubble economy, respectively. The great beneficiaries are India and Central Asia which are booming.

According to the latest report of the EBRD (European Bank for Reconstruction and Development), dated September 2023, these economies are expected to grow by between 4.6% (Kyrgyzstan) to 7.5% (Tajikistan) this year.

China's reopening after the pandemic is not the reason. Russia's war in Ukraine is – as well as China's meltdown. Capital flight from both these polities as well as smaller countries such as Belarus is fueling the economies of their immediate neighbors.

The idea is to avoid Western sanctions by relocating businesses into non-sanctioned but friendly territories. This stratagem is on its last legs, though: the Western coalition has begun to protest the subterfuge.

Central Asia has become a sanction-busting and dodging hub. Prohibited goods – including electric machinery, instruments, spare parts, and transport equipment - are imported into the likes of Kazakhstan and even India and then re-exported to Russia at a hefty premium, according to data published by Bruegel, a venerable European think tank.

The Central Asian Bureau for Analytical Reporting released mind-boggling figures: between January and October 2022, Kazakh exports of electronic goods to Russia have skyrocketed by 1800% to 549 million euros.

Central Asia has always served as a backdoor to an ostracized Russia. Suitcase and shuttle trade as well as illegal re-exportation (smuggling, not to put too fine a point on it) have been staples of these economies since the Russian Revolution.

Such illicit activities are aimed to offset the indirect damage inflicted by Western sanctions on these landlocked polities whose only exit routes are via Russian territory.

One example: Ukraine's attacks on Black Sea facilities can place in jeopardy Kazakhstan's ability to export oil via the Caspian Pipeline Consortium Terminal.

Russians much prefer Russian clones Kazakhstan and Kyrgyzstan which are also members in the Eurasian Economic Union, a poor man's wannabe BRICS. The other members are Armenia whose hostility to Russia is growing in the wake of the Nagorno-Karabakh debacle and Belarus, the hapless puppet state.

Still, the Union offers harmonized Customs and duties, free trade zones, common regulation, and access to a bigger market.

Ironically, the biggest beneficiaries of this tumult are Turkey and India, both far from being Russia's pals. The peoples of Central Asia are, by and large, Turkic. As far as India goes, it offers time travel to a much earlier version of China, prior to its ascendance: an opportunity to participate in another Asian miracle, starting at the ground floor. It is also truly non-aligned with either West or East.

This year, India is expected to grow by 6.2%, according to the IMF (compared to China's unrealistic IMF growth projection of 5.2%).

Still, this is all a one day miracle, the clear outcome of the conflict in Ukraine. Once it is over, one way or another, and once Russia's civil war yields an uncontested new leader, these firms and their owners – around 500,000 strong - will revert to the motherland and its much larger and more sophisticated market.

In the meantime, emigrant workers from Central Asia keep propping families and economies back home with their remittances from Russia, says the EBRD. They work in construction, farming, hospitality and similar jobs which the indigenous Russians turn their noses up at.

The West cannot expect Central Asians to immolate themselves on the altar of the anti-Russia holy crusade. It should offer them access to its labor markets as well as alternative pipelines and land routes to export oil and commodities. To shift their economically-driven allegiance from Russia would require treating them the way Ukraine is being accommodated. Nothing less.

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Endgame in Israel

By: Sam Vaknin, Brussels Morning 1, 2

On Saturday, October 7, 2023, a Jewish holy day, more than 1000 Palestinian fighters, affiliated with Hamas, penetrated the security wall (fence) from the Gaza Strip and entered the territory of the State of Israel. They also landed from the sea and a few paraglided into Israeli territory.

They took over several villages and towns, killed about 700 Israelis, most of them civilians, including women and children, and abducted more than 130 Israelis, both military personnel and civilians, including children. Another 2,400 are wounded, about 400 of them in critical condition.

At the time of writing, 48 hours later, some of the infiltrators are still within Israels' territory and in control of several townships.

The whole campaign was accompanied by volleys of thousands of rockets that overwhelmed Israel's defense system, Iron Dome and caused damage in multiple major cities, including Tel-Aviv, Ashkelon, and Jerusalem.

There was a massive failure of Israeli preemptive intelligence and of the military response once the incursion commenced.

The official reason given by Hamas for the "al-Aqsa Flood" military campaign, is the growing number of Jewish visitors to the al-Aqsa mosque, a Muslim holy site in Jerusalem.

The true reasons are:

1. The decline in the popularity of Hamas within Gaza and the West Bank owing to egregious failures of governance, growing internecine violence, and corruption of its officials; and

2. The imminent normalization of Israel's relations with the rest of the Arab world - including, soon, with Saudi Arabia - at the expense of the overlooked interests of the Palestinians.

Hamas wants to burnish its credentials as an organization that is fighting for the liberation of Palestine from the Israeli much-hated occupation and, at the same time, restore the Palestinian problem as the main item on the agendas of Middle Eastern, Arab, Muslim, and US politics.

Similar to al-Qaeda and ISIS before it, Hamas deployed and depleted all its assets in one last desperate and self-destructive convulsive attempt. It will not be able to repeat this operation, even if it were to survive.

Hamas intends to use the hostages as human shields and then trade them for Palestinian militants held in Israeli prisons. Executions of hostages can also serve to sway public opinion and to score tactical goals in negotiations with Israel in the future.

Hezbollah in Lebanon has already rocketed targets in Northern Israel, but it was a limited and symbolic attack. Remarkably, there were also no major disturbances in the West Bank or inside Israel. Fatah, the main political movement in the West Bank, must be delighted with the self-immolation of its archenemy, Hamas.

If Israel were to maintain the proportionality of its reaction (operation “Iron Swords”), the conflict will remain contained.

But, if Israel were to try to reconquer the Gaza Strip and eradicate Hamas, it will find itself at war with all the Palestinians, wherever they are - as well as with Iran and, possibly, Russia. Another outcome could be terrorist attacks in Europe on Jewish targets.

It all depends on Israel’s self-control and statesmanship now. The answer to terrorism should never be state terrorism.

Israel will cleanse the last remaining cells of Palestinians fighters within its territory and then invade the Gaza Strip after heavy aerial bombardments. This war is going to last weeks or months.

Israeli society has never been more divided and polarized: over the anti-democratic judicial reforms pushed by the criminally indicted Prime Minister Netanyahu and his corrupt and extremist allies; over the mushrooming political power of the ultra-Orthodox Jews; over the military; over income inequality and the unsustainable cost of living; over left vs. right; over the never-ending conflict with the Palestinians; and over many more issues of identity and values.

This war will unite the Israelis in the very short-term: a government of national unity is already in the works. But then it will serve to divide Israel and break it apart as the lessons of this surprise attack are learned. Israel is headed to a slow-motion internecine civil war. Its very survival is at risk.

In the process of this soul-searching and power play, Israel will become a way more authoritarian polity, militarized, and ostracized. This siege mentality will result in rogue actions by Israel throughout the oil-rich region. An era of extreme danger is upon us all, wherever we may be.

In the ocean of analyses of the current iteration of the Jewish-Palestinian conflict, harking back to 1882, we have been missing three crucial facts:

1. Israel’s army and intelligence community have been rendered paper tigers by years of budget cuts and degraded by a lack of training.

Israel’s military is prepared and equipped for a conventional war rather than for asymmetrical warfare, and has been experiencing a precipitous decline in the quality of recruits ever since the 1990s.

Should Israel face a war or even mere unrest on 5 fronts, it will be defeated and will require the military intervention of the USA.

But will the USA sacrifice its global interests for the sake of preserving an Israel under the demented regime of an authoritarian criminal? Will it divert desperately needed resources from a Ukraine on the verge of defeat to an Israel on the verge of extinction? Will the USA alienate allies such as Saudi Arabia and Egypt, however precarious their loyalty is?

2. The USA is supplying Israel only with precision and defensive munitions because it is terrified of what the harried Israeli government might do to civilians in the course of its collective punishment revenge rampage.

The US is also worried about the expansion of the war to include Egypt (who is coerced by Israel into accommodating a million Gazan refugees), Iran, and even Russian-backed Syria.

Such a conflagration would force the more moderate Arab states - especially in the Gulf - to abandon their alliances with the West and to act against its interests. It will also scuttle the nascent reconciliation between Israel and Saudi Arabia as well as previous peace agreements;

And, finally:

3. The settlers - not the Palestinians - are now Israel's greatest internal threat. Armed to the teeth, organized in militias, defiant, contumacious, violent, delusional-Messianic, and hellbent on retribution, they might regard recent events as an opportunity to ethnically cleanse the West Bank of Palestinians. They could yet constitute the most difficult and ominous front for the thinly stretched IDF.

Israel has been reacting disproportionately to undeniable but limited and largely symbolic provocations by Hezbollah, Syria, and by a smattering of Palestinians in the West Bank. This kind of macho reflex is nothing short of suicidal under the current circumstances.

It seems that Israel is far from humbled even by the egregious and abhorrent terror attack of October 7. To borrow a phrase from the self-help industry: Israel has not yet hit rock bottom and is not ready to modify its behaviors, to soul search, and to transform and heal itself.

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Berlin Process: Gaslighting the Western Balkans

By: Sam Vaknin, Brussels Morning

In Tirana, another summit of the Berlin Process between the EU and the Western Balkan polities has ended in grandiloquent and largely empty promises.

The impoverished, hopelessly corrupt, and badly governed countries of the region – Albania, Kosovo, North Macedonia, Bosnia Herzegovina, Montenegro, and Serbia – are caught in the EU's delusional hall of mirrors aka "accession" and "enlargement".

These backward locales are supposed to miraculously undergo two revolutions: green and digital. In the meantime, they are faced with multiple dangling carrots such as freer movement of goods and services into the EU common market and within it as well as investments in roads, other transport modalities, and energy, including electricity. Hope springs eternal.

The EU imposed a few "minor" and equally delusional conditions on this utopia: a better business climate, fewer regulations, integration of the domestic markets, and the perennial fight against corruption.

The truth is that the Western Balkans will never accede to the EU. The war in Ukraine, Brexit, and the rise of authoritarian regimes in new members such as Hungary made sure of that.

In the wake of the elections in Slovakia and the contested elections in Poland, the EU is teetering on the brink of disintegration. The last thing it needs at this fraught time is new members, most of which are at each other's throats periodically but predictably (cf. Kosovo and Serbia currently). Such local conflagrations also threaten workers mobility and thus the common economic space.

The EU is also faced with a major immigration crisis with the Western Balkans aspirant states serving as the main route of transit to the heart of Europe (notably Germany and France) from the landing beaches of Greece and Italy.

The EU has survived multiple traumas in the past two decades, including major financial crises, energy dependency on a foe (Russia), and COVID-19. But it is badly scarred and wounded.

The EU's response to these variegated exigencies has always been attempts at closer, often coerced integration: joint procurement, common debt, the same legal space, and shared foreign, security, and defense policies.

But this integrative reflex militates for a tighter, smaller, and more contained union. As it is, consensus among all existing members is near impossible to build on critical issues such as foundational values of democracy and the rule of law or over Brussels's reach and control of the internal affairs of its constituents and constituencies.

This rancor and acrimony gave rise to populism and xenophobic nationalism everywhere and to an almost exclusive emphasis on the bilateral rather than the multilateral.

North Macedonia's drawn out accession process is the most glaring example of this shift in emphasis, hampered as it was by Greece and Bulgaria, its disgruntled neighbors. Similarly, Hungary threatens to veto Ukraine's mooted membership over its alleged mistreatment of the Hungarian minority in its midst.

The truth is that the EU has reached its absorption capacity long ago: it has been rendered inefficacious by successive waves of widely-disparate new members whose entry had been geopolitically motivated in the first place.

The EU has stagnated. It is unable to regulate itself through the maze of inane unanimity and qualified voting rights and the misallocation of its minuscule budgetary resources via cohesion funds for the more indigent members.

An egregious example of such misguided profligacy is the Common Agricultural Policy, one of the main impediments to the accession of Ukraine, an agricultural powerhouse. Hungary, Poland, and Slovakia are now faced with a WTO complaint filed by Ukraine over their bans of its grain entering their domestic markets.

The looming threat or a re-emerging Russia is not an impetus for enlargement. On the very contrary: the invasion of Ukraine engendered a siege mentality in the bloc. The European Political Community – an initiated polylogue among leaders, most recently in Granada – is intended to forestall accession, not to hasten it. It is about displacement, not resolve.

There is now talk of Macron's "gradual integration". After two decades of infertile talks, it is an interesting and welcome departure from conventional bureaucratese. But it is dead on arrival, literally impossible to implement without a major disruption to the EU's daily business.

At heart is a debate about the very purpose of enlargement: is it a geostrategic tool or a functional and merit-based expansion of a common market with shared values?

If it is the former, then some candidates, like Ukraine, would enjoy a fast lane, ignoring the merits of their applications and the unforeseeable outcomes of war, while others languish in an apparently interminable process.

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East and West Clash in Gaza, Ukraine

By: Sam Vaknin, Brussels Morning

Many on both sides of the Israeli-Palestinian conflict now say that only solution to the conflict between the Palestinians and the Israelis that has been going on since 1882 is ethnic cleansing by one of the peoples involved perpetrated against the other. Both parties maintain maximal positions and victimhood grievances. Both of them insist on possessing 100% of the territory of Palestine/Israel.

Currently, Israel is poised to exact revenge on Gazans for the October 7 atrocities and destroy the Hamas. But Hamas is the symptom, not the disease which is the Israeli occupation. If Israel is successful in eradicating it, another resistance terrorist organization will take its place. Same applies to Hezbollah.

Israel is a paper tiger. Its army is in bad shape, similar to the Russian army. Should Israel be confronted with aggression on several fronts – Lebanon, Syria, the West Bank, and Gaza – it will be defeated.

The Americans are aware of Israel's frailty. This is why they are moving military assets into the region. Iran's involvement may lead to an escalation of this local conflict to a regional one, akin to Vietnam.

Both parties commit war crimes against civilians regularly. Terrorism is indistinguishable from state terrorism.

There is a high chance of Hezbollah involvement owing to Israel's disproportional reactions to its initial provocations. Syria may also support Hezbollah sporadically. But I doubt that this conflict will involve any other actors. The Palestinians have alienated literally all their supporters over the years. They are political, diplomatic, and military orphans, pawns in the hands of the likes of Qatar, Israel, and Iran.

With China's acquiescence and then help, Russia transformed its invasion of Ukraine into a proxy war with the West. This led to escalation in conflicts along the fault lines between East and West all over the world, including in the Middle East and soon in Taiwan. We are in the throes of a global realignment of power, similar to the period of the 1950s and 1960s when the West tried to contain the USSR and Communist China.

The United States is polarized and paralyzed. It has no budget. It can barely support with military aid more than 2 conflicts at a time. NATO is underfunded and under-trained. As Ukraine is going to find out very soon, the West is not a reliable or long-term ally.

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Next Financial Crisis: Private Equity

By: Sam Vaknin, Brussels Morning

What have we learned from the last banking and financial crisis a mere 15 years ago? Nothing it would seem. Another meltdown is brewing in full sight and no one is batting an eyelid, possibly because a lot of slush is greasing helpful political and regulatory wheels.

The culprit this time is known as private equity. It is managed in funds by financial advisory firms. The directors of these companies – and the firms themselves - invest about 1% of the capital of the funds and hurry to retrieve their "investment" via an assortment of exorbitant fees, charges, and commissions.

Pension funds and other institutional investors are on the hook for the remaining 99% of the capital. The money is ploughed into operating businesses, but this is where the similarity to the much more sober index funds ends.

While index funds buy incremental lots of stocks over many years or decades and diversify their portfolios, private equity funds take over entire targets, lock, stock, and often sinking barrel.

Worse still, private equity funds borrow huge dollops of money to complete these dubious transactions, known as LBOs (leveraged buyouts). This is why most of them are also dubbed "buyout funds".

While index funds are heavily regulated, shockingly, private equity funds are subject to no regulatory oversight, however cursory. Private equity advisors operate under toothless and nebulous laws such as the Investment Advisers Act in the USA.

Like venture capital and hedge funds, private equity is a cornucopia of rapacious incentive fees, usually a 2-3% management fee, regardless of how dismal the performance is plus 20% of the profits, regardless of how fictitious these are. Such fees are illegal in all other parts of the money management and investment industry.

Moreover: index funds are obligated to provide daily liquidity by redeeming their shares. Private equity funds lock capital investments for many years with no clear or promulgated exit strategy, essentially a hostage-taking situation.

Most such funds have a theoretical termination date, an obligation to liquidate in 7-12 years. But this, too, is a mirage: they simply roll over the invested capital to newly formed private equity funds (secondary or continuation buyouts). In other circles, this would fit the bill of a Ponzi scheme.

Even worse: the very word "equity" is misleading in the context of private equity. The funds seek to offload their purchases in order to realize a profit and so are never long-term, truly committed investors. The median ownership time is 6 years. These funds actually resemble the pernicious "flippers" of Wall Street, albeit they flip their holdings more glacially.

The erstwhile exit strategies of an IPO (initial public offering) or through a sale to a public company are now rare. In effect, possession is cycled between private equity firms in kind of offshore shell game.

To believe the self-serving propaganda of these secretive firms and funds, they provide a valuable service: strategic and operational advice and an optimizing form of restructuring for a swathe of suboptimal businesses. They also afford favorable albeit somewhat incestuous access to the financial sector: banks, hedge funds, insurance companies, and other lenders.

But the truth is that most of these transactions are glorified forms of privileged insider trading. The new management is focused on enhancing the cash flow rather than on maximizing internal value, relations with stakeholders, and product or service quality. They invariably downsize brutally, axe capital investments, and cheapen product inputs.

Typically, a single firm runs multiple private equity funds in various stages of the funds's life cycle. The implicit leverage is stratospheric and the funds cross-amplify it with their internal transactions. This is known, ominously, as a private equity complex.

The USA is always the harbinger of bad tidings such as asset bubbles. The private equity industry is no exception. About 35% of corporate equity in the States is now outside of public companies and, therefore, invisible and unregulated.

Worse still: the cancer of private equity is now metastasizing in Europe and throughout Asia and eating into more traditional pecuniary sectors and activities, such as broker-dealerships, real estate financing (including mortgages), and credit (lending).

In 2022, private equity funds in the USA alone raised 1 trillion USD and managed a whopping 12 trillion USD in assets. This is equal to 20% of total corporate equity or 5 times the ratio at the turn of this century, increasing by a compounded annual rate of 15%. The economy as a whole grew by a mere 3.6%, annually compounded. The discrepancy between these growth rates reflects, of course, leveraged debt.

The private equity industry is a nuclear timebomb primed to explode at any minute and take us all down with it. Such a conflagration will dwarf the disintegration of 2008-9. Yet, not a single politician or analyst is warning against these new excesses. Such deafening silence is enough to render one a conspiracy theorist.

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Europe Must Cap Executive Pay or Face Labor Unrest

By: Sam Vaknin, Brussels Morning

Before it is too late, Europe should reign in executive pay and cap it. Otherwise, it is headed towards a period of massive strikes and a decline in the profitability of its industries.

In terms of Purchasing Power Standards (PPS), Europe is still way more equitable than the USA, for instance. Copious social transfers redistribute resources from the rich to the poorer, thus dramatically reducing the dreaded Gini coefficient all over the European Union.

But across the continent, income inequality has been on the rise as has inflation, a regressive tax on the poor.

Such convergent adverse conditions always lead to increased labor unionization, labor unrest, and a realignment of the interests of stakeholders in private business: shareholders (capital), labor, and management.

Recently, the United Auto Workers (UAW) won their battle against Detroit's Big Three auto-manufacturers which also own European production assets and automotive brands.

Wage negotiations are an intricate dance. As the economist Richard Lester observed, they do not reflect only hard, cold data such as productivity figures or profits. There is a "range of indeterminacy" within which wages fall.

The reason for this uncertainty is an information asymmetry. Workers don't have access to the big picture or even to other workers's output and income info.

Workers are also often interchangeable and dispensable. Many of them do not have the financial cushion to survive a strike or litigation against the workplace.

Only when employees band together – unionize - does their aggregate power right the scales, to some extent. A Gallup survey of millions of workers in multiple industries over several decades found that unionized workers earn 10-20% more than their brethren who are not members of a labor union.

Moreover: the extra pay does not affect economic growth, only bloated executive pay and bottom line profitability. But even so, wages make a mere 5-15% of the cost of any given product.

Wages are one example of the conflict between rapacious executives and all other business stakeholders.

Managers are supposed to generate higher returns to shareholders by increasing the value of the firm's assets and, therefore, of the firm. If they fail to do so, goes the moral tale, they are booted out mercilessly.

This is one manifestation of the "Principal-Agent Problem". It is defined thus by the Oxford Dictionary of Economics:

"The problem of how a person A can motivate person B to act for A's benefit rather than following (his) self-interest."

The obvious answer is that A can never motivate B not to follow B's self-interest - never mind what the incentives are. That economists pretend otherwise - in "optimal contracting theory" - just serves to demonstrate how divorced economics is from human psychology and, thus, from reality.

Managers will always rob blind the companies they run. They will always manipulate boards to collude in their shenanigans. They will always bribe auditors to bend the rules. They will always deny workers just wages. In other words, they will always act in their self-interest.

In their defense, they can say that the damage from such actions to each shareholder is minuscule while the benefits to the manager are enormous. In other words, this is the rational, self-interested, thing to do.

But why do shareholders cooperate with such corporate brigandage? In an important Chicago Law Review article titled "Managerial Power and Rent Extraction in the Design of Executive Compensation", the authors demonstrate how the typical stock option granted to managers as part of their remuneration rewards mediocrity rather than encourages excellence.

But everything falls into place if we realize that shareholders and managers are allied against the firm - not pitted against each other.

The paramount interest of both shareholders and managers is to increase the value of the stock - regardless of the true value of the firm. Both are concerned with the performance of the share - rather than the performance of the firm. Both are preoccupied with boosting the share's price - rather than the company's business.

Hence the inflationary executive pay packets. Shareholders hire stock manipulators - euphemistically known as "managers" - to generate expectations regarding the future prices of their shares.

These snake oil salesmen and snake charmers - corporate executives - are allowed by shareholders to loot the company providing that they generate consistent capital gains to their masters by provoking persistent interest and excitement around the business. Shareholders, in other words, do not behave as owners of the firm - they behave as free-riders.

The Principal-Agent Problem arises in other social interactions and is equally misunderstood there.

Employers and employees, producers and consumers all reify the Principal-Agent Problem. Economists would do well to discard their models and go back to basics. They could start by asking:

Why do shareholders acquiesce with executive malfeasance as long as share prices are rising?

Could it mean that the interests of shareholders and managers are identical?

Nothing happens by accident or by coercion. Shareholders aided and abetted the current crop of corporate executives enthusiastically. They knew well what was happening. They may not have been aware of the exact nature and extent of the rot, but they witnessed approvingly the public relations antics, insider trading, stock option resetting, unwinding, and unloading, share price manipulation, opaque transactions, and outlandish pay packages. Investors remained mum throughout the corruption of the globalized corporate universe. It is time for the hangover.

The Good Enough Firm

Conventional economics is based on wildly unrealistic assumptions regarding human nature and, by extension, the conduct of human institutions. One of them is that firms – led by agents and egged-on by principals – seek to maximize both profits and productivity.

This is nonsense. Firms seek to optimize – not maximize – profits by choosing the path of least resistance. As far as productivity: it depends on how fierce the competition is. Absent competition, there is no incentive to increase it. Firms invariably settle on being good enough, until they are rattled by an external shock.

One way to remedy all these pathologies is, therefore, to introduce competition, both from within the European Union and from without. Perhaps 18-century economists were not so wrong after all.

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Corruption Reconsidered

By: Sam Vaknin, Brussels Morning

Corruption has become more ostentatious in the European Union with some high visibility scandals, arrests, and resignations. Candidate countries are required to stamp out venality as one of the pillars and goals of their accession process.

But is corruption, this touchstone of good governance, all that it is made out to be?

Corruption runs against the grain of meritocratic capitalism. It skews the level playing-field; it imposes onerous and unpredictable transaction costs; it guarantees extra returns where none should have been had; it encourages the misallocation of economic resources; and it subverts the proper functioning of institutions. It is, in other words, without a single redeeming feature, a scourge.

Strangely, this is not how it is perceived by its perpetrators: both the givers and the recipients. They believe that corruption helps facilitate the flow and exchange of goods and services in hopelessly clogged and dysfunctional systems and markets (corruption and the informal economy "get things done" and "keep people employed"); that it serves as an organizing principle where chaos reins and institutions are in their early formative stages; that it supplements income and thus helps the state employ qualified and skilled personnel; and that it preserves peace and harmony by financing networks of cronyism, nepotism, and patronage.

Bribes are paid in order to limit choice and eliminate competition. Consequently, in corrupt environments consumers pay less than optimal prices. The difference between the competitive price and the new, post-corruption cost equals the amount of bribe paid in cash or in kind. Corruption amounts to a unilateral transfer from the consumers's pockets to the manufacturers's. In times of economic crisis, consumers tend to shop around (in other words: they prefer price competition and encourage it via their behavior). Producers/manufacturers tend to collude in order to fix prices. In recessions, businesses regard consumers as enemies and vice versa: producer-firms court consumers, but they also seek to limit their choices by "channelling" their purchases and determining their preferences.

Twenty years ago, I proposed a taxonomy of corruption, venality, and graft. I suggested this cumulative definition:

a. The withholding of a service, information, or goods that, by law, and by right, should have been provided or divulged.
b. The provision of a service, information, or goods that, by law, and by right, should not have been provided or divulged.
c. That the withholding or the provision of said service, information, or goods are in the power of the withholder or the provider to withhold or to provide AND That the withholding or the provision of said service, information, or goods constitute an integral and substantial part of the authority or the function of the withholder or the provider.
d. That the service, information, or goods that are provided or divulged are provided or divulged against a benefit or the promise of a benefit from the recipient and as a result of the receipt of this specific benefit or the promise to receive such benefit.

e. That the service, information, or goods that are withheld are withheld because no benefit was provided or promised by the recipient.

There is also what the World Bank calls "State Capture" defined thus:

"The actions of individuals, groups, or firms, both in the public and private sectors, to influence the formation of laws, regulations, decrees, and other government policies to their own advantage as a result of the illicit and non-transparent provision of private benefits to public officials."

We can classify corrupt and venal behaviors according to their outcomes:

a. **Income Supplement** - Corrupt actions whose sole outcome is the supplementing of the income of the provider without affecting the "real world" in any manner.
b. **Acceleration or Facilitation Fees** - Corrupt practices whose sole outcome is to accelerate or facilitate decision making, the provision of goods and services or the divulging of information.
c. **Decision Altering (State Capture) Fees** - Bribes and promises of bribes which alter decisions or affect them, or which affect the formation of policies, laws, regulations, or decrees beneficial to the bribing entity or person.
d. **Information Altering Fees** - Backhanders and bribes that subvert the flow of true and complete information within a society or an economic unit (for instance, by selling professional diplomas, certificates, or permits).
e. **Reallocation Fees** - Benefits paid (mainly to politicians and political decision makers) in order to affect the allocation of economic resources and material wealth or the rights thereto. Concessions, licenses, permits, assets privatized, tenders awarded are all subject to reallocation fees.

To eradicate corruption, one must tackle both giver and taker.

History shows that all effective programs shared these common elements:

a. The persecution of corrupt, high-profile, public figures, multinationals, and institutions (domestic and foreign). This demonstrates that no one is above the law and that crime does not pay.

b. The conditioning of international aid, credits, and investments on a monitored reduction in corruption levels. The structural roots of corruption should be tackled rather than merely its symptoms.

c. The institution of incentives to avoid corruption, such as a higher pay, the fostering of civic pride, "good behavior" bonuses, alternative income and pension plans, and so on.

d. In many new countries (in Asia, Africa, and Eastern Europe) the very concepts of "private" versus "public" property are fuzzy and impermissible behaviors are not clearly demarcated. Massive investments in education of the public and of state officials are required.

e. Liberalization and deregulation of the economy. Abolition of red tape, licensing, protectionism, capital controls, monopolies, discretionary, non-public, procurement. Greater access to information and a public debate intended to foster a "stakeholder society".

f. Strengthening of institutions: the police, the customs, the courts, the government, its agencies, the tax authorities - under time limited foreign management and supervision.

The most potent remedy against corruption is sunshine - free, accessible, and available information disseminated and probed by an active opposition, uncompromised press, and assertive civic organizations and NGOs. In the absence of these, the fight against official avarice and criminality is doomed to failure. With them, it stands a chance.

Corruption can never be entirely eliminated - but it can be restrained and its effects confined. The cooperation of good people with trustworthy institutions is indispensable. Corruption can be defeated only from the inside, though with plenty of outside help. It is a process of self-redemption and self-transformation. It is the real transition.

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Are Tourists Safe in Europe?

By: Sam Vaknin, Brussels Morning

It is only a question of time before the war between Iran (via its proxies, Hamas and Hizbullah) and Israel hits the shores of Europe. Expect major terrorist attacks in cities across the continent imminently.

Isolated terrorist attacks have no long-term effects on destination tourism. Only a prolonged period of civil unrest and warfare can decimate a country's inbound tourism. Facing a variety of threats has always been an integral part of the "job description" of a tourist.

Nowadays, as they embark on their annual "vacance", tourists are mentally prepared to cope with international terrorism; domestic terrorism and insurgencies; blended terrorism (domestic malcontents inspired by international ones); crime (pickpockets, panhandlers, muggers, kidnappers, the homeless, unsolicited prostitution, etc.); the risks attendant on inadvertently violating social and cultural mores, norms, customs, and laws in the host country; endemic diseases and health hazards (food poisoning and food allergies, or encounters with indigenous predatory or venomous fauna and flora for example); natural disasters; and economic disruptions. Nowadays, tourists are far more versed at adopting precautions and implementing preventive measures.

We tend to forget, though, that tourists not only fall victims to mishaps and delinquency – they are also vectors of threats. Tourists are often zero patients in the spread of contagion and pandemics.

Terrorists, narco-dealers, and intelligence officers frequently pose as tourists to gain safe passage to their targets. Some tourists constitute a threat to other tourists owing to their nationality (Israeli, American) or their misconduct and inappropriate behavior.

After the 9/11 terrorist attacks, there has been an imperceptible move away from vacation to staycation (spending one's days off at home) and, more broadly, to domestic tourism.

Abroad, tourists are tempting soft targets for criminals and terrorists, both homegrown and international. Often greeted by xenophobia and rabid stereotypes, tourists cannot rely on suspicious local law enforcement or on the hostile populace to come to their aid or to not abet their persecutors.

The "starburst" model of asymmetrical warfare seeks to strike against multiple nationalities in a single operation carried out with minimal assets and means. It is part and parcel of the concept of "total war" which makes no distinction between combatants and civilians.

A tourist resort is, therefore, an ideal target. It is also impossible to enhance the resilience of such soft targets by fortifying them because this would counteract and conflict with the openness and freedom which are an essential part of the experience of tourism.

Truly defending against terrorist attacks would require the conversion of hotels into prisons and the transformation of the tourist's numbered holidays into an anxiety-ridden, worry-filled nightmarish sojourn.

Security planners would do well to emulate the lessons learned in information technology defenses: establish a comprehensive, hard to penetrate perimeter (firewall); multi-layered, distributed as well as concentric intrusion detection systems; intelligence-driven protection (akin to signature-based antivirus products); biometric and face recognition defenses; systems founded on heuristic, behavioral, and tell-tale signs; coping with insider threat (hotel personnel or tour guides recruited by terrorist organizations or crime rings, for instance); compartmentalization and backup zones (similar to the architecture typical of ocean liners); and dynamic, proactive protection and surveillance of paths, routes, marketplaces, downtown city centres, hubs, transportation, events, etc.)

It is clear that passive deterrence (e.g. CCTV) is not enough. It should go hand in hand with preventive and preemptive measures, education, preparedness, and active deterrence (via, for example, a pronounced, advertised, and visible police presence).

A customer-friendly and specially-trained Tourism Police, integrated with various suppliers and providers in the tourism industry could go a long way towards ameliorating and countering persistent threats to tourism. Simple maintenance has been proven to reduce crime dramatically: street lighting, hedge pruning, sanitary measures, homeless shelters, needle exchanges, and so on. Organized tours should always incorporate one or more security guards.

Tourist education is critical: cultural sensitivity training; introduction to the legal system in the destination and to specific, relevant laws; the role, functions, and limitations of the diplomatic missions in situ, safety and security measures and behaviors; and lists of useful and emergency contacts (including medical personnel and lawyers).

Tourist attractions, accommodation, and services should be ranked for security and safety, possibly via crowdsourcing (similar to the comparative information provided by TripAdvisor.com).

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Who is Defeated in Gaza: Israel or Hamas?

By: Sam Vaknin, Brussels Morning

Does Khamenei have a point? Has Israel been defeated in Gaza, or at least stymied there? Has the much vaunted offensive boggled down?

Hamas has had three strategic goals in its incursion into Israel on October 7: (1) To provoke a regional war, derail the peace process between Israel and Saudi Arabia, and reassert the Palestinian cause; (2) To capture hostages and trade them for Palestinian prisoners in Israeli jails; and (3) To humiliate Israel, expose its army as a paper tiger, and do away with its deterrence.

Hamas failed in accomplishing the first goal. Iran's bombast notwithstanding, it made sure that none of its many proxies declare an all-out war on Israel. Hamas found itself isolated. Many Arab regimes would love to see it go. Again, the Arab states have abandoned the Palestinians to their fate.

But Hamas did accomplish the second and third targets on its list. And it sucked Israel into a war that it cannot hope to win. No military guerilla group supported by the indigenous people has ever been defeated in battle, let alone eradicated - not even in Vietnam, Cuba, and Afghanistan.

Here we are, 6 weeks after the atrocities committed in south Israel by 3000 Gaza Palestinians. I am using the phrase "Gaza Palestinians" rather than the habitual Hamas because by now it has become clear that the mob who breached the fence in the wake of the 1000 or so Hamas fighters committed most of the heinous crimes.

Hamas terrorists were relatively disciplined throughout the 12-24 hours incident (it took the hallowed and hollowed IDF that long to reach the scene in any meaningful way).

Having promulgated delusional goals for its invasion, Israel dawdled for 3 unnecessary and costly weeks before it mustered the courage and determination to penetrate the aerially devastated Gaza Strip. A stream of triumphant messages followed the ground invasion.

But reality and self-congratulatory propaganda rarely meet. In actuality, only 2-3% of Hamas's fighting force and tunnels have been destroyed. Hamas is even more present in the south, near Egypt, than it is in the much bombarded north.

Hamas is still firing rockets on Israel and is holding on to the hostages, negotiating brazenly for the release of the women and children among them in exchange for what amounts to a ceasefire.

In short: Hamas is far from capitulating. It is taunting Israel daily. International diplomatic support for Israel is being sorely tested by what is beginning to be widely perceived as its campaign of collective punishment, a war crime. Antisemitism is rife and public opinion is decidedly pro-Palestinian. Hamas's own offenses and crimes are swept under the social media collective carpet.

So, what is Israel to do? Having backed itself into a corner, Israel must now declare victory and negotiate a cease fire replete with the release of all the civilian hostages held by various militant and Islamist groups in Gaza. Extending the war to the southern part of Gaza may net a few dead Hamas leaders, but this has been tried before, multiple times and it led nowhere.

Fat chance of cool heads prevailing. Israel is led by a kleptocracy of grandiose malignant narcissists and petty criminals immured in fantasies and led by Netanyahu whose only priority is and always has been Netanyahu. The political echelons are estranged from the people. Israel is in the throes of a slow-motion, simmering civil war.

The military arm of Hamas is a fanatical and tyrannical death cult, headed by arch psychopaths and serial killers who propagate their own brand of faux "Islam" (for example: Sinwar). The political leadership is saner, but equally trapped in fantasies of revenge and restoration.

Yet, unlike al-Qaida and ISIS and much like Hizbullah, Hamas is supported by 31-53% of the Palestinian population who have little left to lose. Additoonally, both Hamas and Hizbullah are numerous (about 150,000 warriors combined) and both outfits are well-trained and well-equipped: a definite match to the IDF's best.

It will, therefore, be impossible to exterminate Hamas the way the West had dealt with ISIS, for instance.

Many on both sides of the Israeli-Palestinian conflict now say that the only solution to the conflict between the Palestinians and the Israelis that has been going on since 1882 is ethnic cleansing by one of the peoples involved perpetrated against the other: the revived idea of transfer on the Israeli side and "Palestine from the river to the sea" to counter it.

Both parties maintain maximal positions and victimhood grievances. Both of them insist on possessing 100% of the territory of Palestine/Israel.

Currently, Israel is poised to exact revenge on Gazans for the October 7 atrocities and destroy the Hamas. But even if, implausibly, Israel were to succeed, Hamas is the symptom, not the disease which is the Israeli occupation. If Israel is successful in eradicating Hamas, another resistance or terrorist organization will take its place. Same applies to Hizbullah.

Israel is a paper tiger. Its army is in bad shape, similar to the Russian army. Should Israel be confronted with aggression on several fronts – Lebanon, Syria, the West Bank, and Gaza – it will be defeated.

The Americans are aware of Israel's frailty. This is why they are moving military assets into the region. Iran's potential involvement may lead to an escalation of this local conflict to a regional one, akin to Vietnam.

Both parties commit war crimes against civilians habitually. Acts of terrorism is met with state terrorism.

There is a chance of Hizbullah involvement owing to Israel's disproportionate reactions to Hizbullah's initial provocations. Syria may also support Hezbollah sporadically as might the Iran-backed militias there and in Iraq.

But I doubt that this conflict will involve any other actors. The Palestinians have alienated literally all their supporters over the years. They are political, diplomatic, and military orphans, pawns in the hands of the likes of Qatar, Israel, and Iran.

But, luckily for Hamas, its conflict with Israel is just the latest piece in a much bigger geopolitical realignment.

With China's acquiescence and then help, Russia has transformed its invasion of Ukraine into a proxy war with the West. This led to an escalation in conflicts along the fault lines between East and West all over the world, including in the Middle East and soon in Taiwan.

We are in the throes of a global reordering of power, similar to the period in the 1950s and 1960s when the West tried to contain both the USSR and Communist China.

But now, the United States is much diminished: it is polarized and paralyzed. Its democracy is threatened from within. It doesn't even have a regular budget, only stopgap ones.

The USA can scarcely provide military aid to more than 2 allies or proxies at a time. NATO is underfunded and under-trained. As Ukraine and Israel are going to find out very soon, the West is not a reliable or long-term ally.

In any fight between a psychopath and a narcissist, the former wins. Narcissists are no match for psychopaths.

Narcissists are cowardly and prosocial (play by some rules and externally regulated). They are driven by fantasy (impaired reality testing) and are cognitively distorted (grandiosity, paranoid ideation). Consequently, they are gullible.

Psychopaths – Putin comes to mind - are callous, reckless, disinhibited, defiant, and, often, sadistic. They couldn't care less about costs: they are goal-oriented. Their reality testing is intact.

This insight from clinical psychology does not bode well for Israel. As a state actor, it has already gone as rogue as it possibly could. The asymmetry in asymmetrical warfare weighs heavily in favor of terrorist organizations.

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USA is Wrong Model for Europe's Ailing Hospitals

By: Sam Vaknin, Brussels Morning

In April 2022, WHO/Europe had its first expert meeting in Brussels on **'Rethinking the future of hospitals in the WHO European Region'**, where participants agreed to move this agenda forward, including having a regional meeting in Azerbaijan in June this year.

The WHO explained its mission thus: **"Hospitals play a key role in promoting the health and well-being of communities across Europe, but as the COVID-19 pandemic has shown, policy-makers face a number of challenges in managing and maintaining these essential institutions. These include managing costs and resources, ensuring access to care for vulnerable populations, and adapting to changing demands and advances in medical technology.**

Operationally, hospitals must also adapt and improve to meet the changing needs of patients and health care providers. This includes addressing issues such as reducing wait times for procedures, improving patient satisfaction and outcomes, and implementing new technologies and medical practices.

WHO/Europe is actively working to support countries in addressing these challenges, including providing technical assistance in implementing new technologies, promoting best practices in patient care and management, and supporting the development of policies and guidelines to improve access to high-quality care for populations."

Alarmingly and bafflingly, the USA's failing healthcare system is being perceived by some of the interlocutors as a model to be emulated.

Hospitals are caught in the crossfire of a worldwide debate. Should healthcare be completely privatized - or should a segment of it be left in public hands? As the debate infects countries adhering to the "social model of capitalism" (e.g., Scandinavia and France) and spreads to countries in transition in Central and Eastern Europe - it is worthwhile to study the experience of the bellwether in privatized health care: the USA.

Of the many mutations of the hospital, most people experience the Public Hospital. These are all-purpose, universal, and all-pervasive (inpatient and outpatient) institutions, which service even the indigent, criminals, illegal aliens, and members of the minorities.

Public hospitals are the descendents of almshouses, poorhouses, correction facilities, and welfare centers. Like other modern fixtures - the university, the school, the orphanage - most hospitals were originally run by the church and included a medical school.

Later on, local communities established their own hospitals. As the functions (and area) of these initially modest facilities expanded, hospitals were gradually taken over by regional authorities and state governments. Federal funding for hospitals - in the form of Medicaid and Medicare - is relatively new and dates back only to LBJ's (President Lyndon B. Johnson) Big Society in 1965.

Hospitals are now reverting to communal management. Bruce Siegel, President and CEO of Tampa General Hospital, notes in "Public Hospitals - A Prescription for Survival" that between 1978 and 1995 the number of government-owned acute care public hospitals declined by one quarter.

Most hospitals were or are being transformed into small, communal, suburban or rural facilities. In the USA, less than one third of hospitals are in inner cities and only 15% have more than 200 beds. According to the American Hospital Association, the 100 largest hospitals averaged a mere 581 beds in 1995.

Public hospitals are in dire financial straits. Even in the USA, one third of their patients do not pay for medical services (compared to less than 5 percent in private hospitals). Medicaid barely - and belatedly - covers another third. Yet, the public hospital is legally bound to treat one and all.

In other countries, national medical insurance schemes, the equivalents of Medicare/Medicaid in the USA, (e.g., the NHS in Britain), or mixed public-private ones (e.g., Kupat Kholim or Maccabbee in Israel) provide fairly extensive coverage. Community medical insurance plans are on the rise in both the USA and Europe. Corporate plans cover the rest.

Still, uniquely in the USA, many potential patients remain exposed. More than 40 million Americans have no medical insurance of any kind. A million new disenfranchised join their ranks annually. This despite sporadic - and oft-unsuccessful - initiatives, on the state level, to extend insurance - in lieu of charity care - to the uninsured.

This kind of deprived patient often consumes less profitable or loss leading services such as trauma care, drug-related treatments, HIV therapies and obstetrical procedures. These are lengthy and costly. Private healthcare providers corner the more lucrative end of the market: hi tech and specialty services (e.g., cardiac surgery, cosmetic surgery, diagnostic imagery).

In "Our Ailing Public Hospitals - Cure them or Close Them?" published in "The New England Journal of Medicine", J.P. Kassirer mentions that public hospitals provide "culturally competent care". This fashion is the bane of public medicine. Providers are expected to deliver to their patients a politically correct package of social services and child welfare on top of the inanely expensive - and frequently unpaid for - medical treatment.

"Essential Community" hospitals are heavily dependent on public funding. State governments foot the bulk of the healthcare bill. Public and private healthcare providers pursue this money. In the USA, a majority of consumers organized themselves in Healthcare Maintenance Organizations (HMOs).

The HMO negotiates with providers (=hospitals, clinics, pharmacies) to obtain volume discounts and the best rates. Public hospitals - under-funded as they are - are not in the position to offer an attractive deal. So, they lose patients to private hospitals.

Public hospitals derive more than half their revenues from federal insurance schemes such as Medicaid. This is five times the national average for all types of hospitals. They also benefit from state and local matching funds tied to their Medicaid receipts. This addiction to dwindling - and unreliable - federal and state financing spells doom.

Medicaid Managed Care programs - intended to optimize the use of Medicaid funds - had the dual effect of reducing the coverage rate of public hospitals (i.e., their income per patient) and diverting business to ferociously competitive private ones. Public facilities are closing at a torrential pace.

In some states, one in twenty calls it a day every year. Many states (e.g., New York) and municipalities (e.g., Los Angeles) seriously considered the abolition or privatization of all public hospitals. In some states, private hospitals now enjoy almost as much Medicaid business as public ones. HMO's (Health Maintenance Organizations) have discovered Medicaid as well.

Yet, private, for profit hospitals, discriminate against publicly insured (Medicaid) patients. They prefer young, growing, families and healthier patients with Medicaid, Blue Cross/Blue Shield, or commercial medical insurance. These clients gravitate out of the public system, transforming it into an enclave of poor, chronically sick patients.

This, in turn, makes it difficult for the public system to attract human and financial capital. It is becoming more and more desolate, under-staffed, and poorly-qualified.

But public hospitals are partly to blame for this sorry state of affairs.

There are striking similarities between these decrepit institutions all over the world. Public hospitals in New York are often indistinguishable from their counterparts in Ljubljana, Moscow, Tel-Aviv, or Skopje. Their bloated management and heavily unionized staff are opaque and non-accountable. They refuse to measure up to performance targets lest their revenues and remuneration be linked to the results.

No one can tell how (in)effective and (non-)productive public hospitals are. There are no reliable statistics regarding the most basic parameters of service quality, such as wait times. Financial reporting and network development are dismal. As even governments are transformed from "dumb providers" to "smart purchasers", public hospitals must reconfigure, change ownership - privatize, lease their facilities long term - or perish.

But privatization is far from being a panacea.

It is difficult to imagine the private sector - private hospitals and HMO's - assuming the full load of patients now treated by the public sector. To start with, existing laws would have to be changed in constitutionally dubious ways. It is even more difficult to conceive of the government as a ideal and long-term "smart purchaser" of healthcare services from the private sector. Additionally, to cover all the uninsured would cost a fortune. The communities that phased out public hospitals in favor of Medicaid managed care suffered greatly according to various studies.

Siegel notes that there is no data to support the contention that public hospitals provide inferior care at a higher cost - and, indisputably, they possess unique experience in caring (both medically and socially) for low income populations. He poses the following questions:

- What are the costs and quality of public hospitals relative to their non-government peers in selected cities? These data would need to be adjusted for case mix, socioeconomic status, degree of teaching activity and other variables.

- What segment of the public hospital market has been "captured" by competing HMOs and non-government hospitals? What are the risk profiles of these segments?

- What are the legal obligations of health care providers to treat indigent patients in selected states?

- Where public services have closed or been privatized, what is the impact on access to care for the Medicaid and uninsured populations? What is the impact on remaining providers?

- What lessons can be learned from major cities and counties that lack publicly owned health care systems?

In the absence of factual answers to these questions, the arguments boil down to differences in worldview and politics. Is healthcare a fundamental human right - or a commodity? Should healthcare be left to the invisible hand and distributive justice of the market? Should prices serve as the mechanism of optimal allocation of healthcare resources - or are there other, less quantifiable, but pertinent parameters?

Whatever the philosophical predilection, healthcare should be reformed. Siegel and Altman and Brecher ("Competition and Compassion - Conflicting Roles for Public Hospitals") survey the landscape of hospital reform in the USA:

Public hospitals are increasingly governed by healthcare management experts who are likely to emphasize clinical and fiscal considerations - and not by politicians. This is coupled with the vesting of authority with hospitals, taking it back from local government.

Some hospitals are organized as (public benefit) corporations with enhanced autonomy (e.g., Memphis Regional Medical Center). Others organize themselves as Not for Profit Organizations with independent, self perpetuating boards of directors.

This is often coupled with increased transparency and accountability. Clear quantitative criteria are applied to the use of funds. Some hospitals started by revamping their compensation structures to increase both pay and financial incentives to the staff and thus attract talented people. In these reformed institutions, pay is linked to objectively measured performance and skills-related criteria. A system of bonuses, incentives, and - more rarely - penalties has been applied to senior management.

The management of many public hospitals is trained now to use rigorous financial controls, to improve customer service, to re-engineer processes and to negotiate agreements and commercial transactions. In some cases, staff is employed through employment contracts with clear severance provisions that allow the management to take commercial risks.

All this cannot be achieved without the full collaboration of the physicians employed by the hospitals. Their very profession is being revolutionized. Siegel:

"Most major public hospitals obtain a majority of their physicians through affiliations with nearby medical schools ... But the nature of these contracts and of health care has changed. Public hospitals are now under intense pressure to improve continuity of care, expand primary care capacity, reduce lengths of stay and meet a host of managed care and budgetary

constraints. It will be impossible for them to do this so long as the physicians who make the bulk of the clinical decisions practice in ways that are not aligned with the imperatives of managed care and capitation. Physicians must adapt their styles of practice and accept an emphasis on absolute productivity."

Some hospitals in the USA (e.g., Cambridge Hospital in Massachusetts) formed business joint ventures with their own physicians (PHO - Physicians Hospital Organizations). They benefit together from the implementation of reforms and from increased productivity. Scheduling of patient-doctor appointments, laboratory tests, and surgeries are computerized. Obsolete information systems replaced. Long turnaround times and redundant lab tests and medical procedures eliminated.

According to various studies published in "Modern Healthcare", public hospitals have been downsizing for well over a decade now. They reduced their labour costs from more than 70 percent of their budgets 8 years ago - to less than 60 percent today. Many cut their labour force by half. Union membership is on the decline.

Public hospitals all over the world are transforming themselves into outright businesses.

They lease to their physicians - for use in their private, after-hours, practice - space (e.g., operating theatres) or time slots, or underutilized equipment. This kind of arrangement cropped up in countries as diverse as Israel and Macedonia, Russia and Germany. The lessee physician pays the hospital - either in the form of fixed fees or in the form of revenue sharing (franchise arrangement).

In some countries, the physician also commits himself to provide community-oriented, non profit or pro bono services in return for the right to use what is, essentially, community property.

Another method of using the hospital's excess capacity is to sell it, rent it, or lease it to entrepreneurs who are not members of the hospital staff: small laboratories, specialty medical services, primary care, and specialist practitioners. All these make use of the superior infrastructure of the hospital under a concession, a franchise, or a rental arrangement.

The hospital provides these professionals with a "captive market" of patients. This is very much like the relationship between an "anchor" in a shopping mall and the small retail shops surrounding it.

Hospitals - mainly in eastern Europe - also sell medical - and, sometimes, non-medical - products and services to the community on a commercial, competitive basis. Some hospitals offer for-pay medical legal services, or print jobs by the hospital's print shop. They operate the hospital's social services as a profit centre, offer medical consultancy on a fee per service basis, and even sell food from the hospital kitchen through a catering service, or data to researchers from its archives.

A hospital is a galaxy of small (to medium) size businesses operating under one organizational roof. Laundry, cleaning services, the kitchen and its attendant catering functions, the provision of television sets and telephones to patients, a business centre for the inpatient businessmen - these are all profit or loss centers.

"Internal privatization" (or intrapreneurship) transforms the hospital into a holding company. This holding company owns and operates a host of business entities. Each such entity constitutes a separate contractor which provides the hospital with a service or a product.

Thus, all laundry is done by a company which charges the hospital for its services. The same goes for the kitchen, the print shop, the legal services department and so on. These corporations employ the former staff of the hospital. This way, institutional knowledge and experience are preserved.

These corporations, owned by former employees, usually maintain a "right of first refusal" in the first five years following the transformation. They are allowed to match the best offers obtained in yearly tenders conducted by the hospital. They are also allowed to offer their services to other customers. Thus, they reduce their dependence on one client, the hospital. They become truly entrepreneurial entities, competing for profits in a market environment.

A part of the re-engineering process is to determine which of the roles of the hospital are "core competencies". All "non-core" functions are outsourced in a tender to the most competitive bidders. The hospital is likely to benefit from the transfer of these functions, in which it has no relative competitive advantage, to expert outsiders. This is somewhat akin to international (free) trade, where each nation optimizes its resources and passes the (beneficial) results to its trading partners.

To control this kind of transformation, medical information management systems need to be introduced. These improve both the quality and the quantity of data available to the management of the hospital and, as a result, the decision making process.

This makes it easier for the management to pinpoint which areas require doing what - for instance, what kind of incentives should go to which members of the staff, where could costs be cut, and where and how could productivity be improved.

Finally, a novel concept is emerging. Universities and hospitals are two important repositories of human knowledge and experience. Virtually every hospital somehow collaborates with an academic institution, or with a medical school.

But, during the last two decades, hospitals have re-cast themselves in the role of partners to the commercial exploitation of the results of research conducted within their premises or with their co-operation. Hospitals now collaborate in pharmaceutical, medical, genetic and bioengineering studies. Hospitals believe that by refraining from getting commercially involved - they give up money which really is not theirs to give up in the first place.

Large hospitals also entered the managed care market - where laws permit it. Some have established MCOs (Managed Care Organizations of patients). Others insure patients outright and market their services directly. Most hospitals now maintain their own network of suppliers. HMO's are inevitably less than thrilled with the emergence of these new competitors - but this process of disintermediation is thought to have increased both the profit margins and the absolute profits of public hospitals.

Public hospitals also pool resources to benefit from advantages of scale. They relegate services - from auditing and accounting to political lobbying - to commonly owned or merely

centralized service providers. These providers also negotiate contracts with suppliers and specialists on behalf of the hospitals.

Some observers decry the apparent convergence between public hospitals and their private brethren. Such derision is misplaced. Public hospitals still treat the destitute and the immigrant. They still provide a medical safety net where no alternative exists. They are just doing it better, more rationally, and more cheaply. They should do more to open up to scrutiny. They should spin doctor. They should streamline. But one thing they should not do is regress to where they have been in the early 1990's. This is what the doctor ordered.

Download North Macedonia's Healthcare Reform Checklist

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Palestinian Refugees: Nakba – or Independence War? Factchecking 1948

By: Sam Vaknin, Brussels Morning

As with every protracted conflict, both the Israelis and the Palestinians spew out counterfactual propaganda regarding the events that led to the crisis of Palestinian refugee (more precisely: internally displaced people) in 1947-9.

Here are some of the more pertinent facts:

1. The Jews owned 6% of the land of Palestine prior to 1947. Another 49% was owned by the state (the Ottoman authorities, succeeded by the British Mandate), 22% by small Arab landholders (and fellahin) and 23% by rich Arabs (effendis), mostly from outside Palestine. The United Nations Partition Resolution 181 gave the Jews 55% of Palestine (most if it comprised of the Negev desert). The new Jewish state was supposed to incorporate 450,000 Arabs and 650,000 Jews within its borders. The Jews counted on future Jewish immigration to counter the imminent demographic threat of an Arab majority.
2. The Jews constituted a majority in Jerusalem, Tiberias, and Haifa prior to 1948. Safad and Jaffa were almost entirely Arab. In 1881, at the beginning of the Jewish settlement of Palestine, its population consisted of 450,000 Arabs (including immigrants from Syria, Lebanon, and North Africa) and 20,000 Jews.
3. The idea of displacement or transfer (ethnic cleansing) of the indigenous Arab population to Transjordan or to other Arab countries was never an official policy of the Jewish Yishuv, nor was it a part of any overall military strategy. But it was widely thought by the Zionists to be a desirable, non-coercive, and just solution to the inter-ethnic conflict. Similar transfers have taken place all over the world and have resulted in amicable post-transfer relations (for example: between Greece, Bulgaria, and Turkey as well as Czechoslovakia and post-Nazi Germany).
4. The Jews have accepted the UN Partition Resolution and the Arabs – including volunteers from abroad – have rejected it and embarked on hostilities against the Jewish settlements and supply convoys. Later on, regular Arab armies invaded the territory of Palestine.
5. Between November 1947 and April 1949, about 400-700,000 Palestinian Arabs left their homes and became internally displaced within the territory of Palestine. Only a small fraction returned to their abandoned, ruined, and looted villages. By mid-1949, the State of Israel ended up having 150,000 Arab citizens (to 700,000 Jews). A sizable minority of the upper middle class and the affluent Palestinian Arabs emigrated to Egypt, Lebanon, Syria, and Transjordan.
6. Most of these refugees – about 80% - were not expelled by force, though the Haganah's Plan D called for the expulsion of Arabs from villages abetting important traffic arteries, the new state's borders, and major Jewish majority cities. In some locales, such as Haifa, the nascent Jewish authorities actually tried to halt the Arabs from fleeing. Many other villages, though, were forcibly evacuated at the local initiative of Haganah commanders in the field.
7. The exodus of the Palestinian Arabs was mostly voluntary and motivated by: (a) Rumors of and information about egregious atrocities – murders, massacres, and rapes

- committed by extremist Jewish paramilitary organizations such IZL and LHI (for example in the friendly and peaceful hamlet of Deir Yassin) as well as persistent looting by all the various Jewish military formations; (b) The influx of marauding Arab "fighters", mainly from Iraq. These "volunteers" resorted to blackmailing the peasants, looting, and summarily dispensing with their opponents, taking over abandoned property with alacrity and glee; (c) Recurrent calls by Arab leaders, local and foreign, to evacuate children, women, and the elderly from the battle zones (though rarely able-bodied men capable of fighting who were mostly urged and instructed to stay behind) until Arab victory had been secured. They regard the refugees as a propaganda tool; (d) The withdrawal of the British administration in May 1948 from the territory of the Mandate meant that many of the remaining Arabs would have needed to accede to Jewish rule or, possibly worse, the domination of the mufti Husseini's murderous clan. The mass flight of the Arabs of Palestine caught everyone off-guard: Jews, British, and Arabs alike. There was no demonic masterplan – just a lot of confusion and improvisation on all sides as they tried to adapt to the incredible scene of a land emptied of its erstwhile denizens.

8. Once Arab tenants and farmers have left, the State of Israel and the IDF never allowed them to return and reclaim their property. If they did infiltrate back, they were expelled at the point of a gun.
9. The Arab states were very reluctant to accommodate the influx of Palestinian refugees and committed only insignificant forces to the invasion of Palestine in May 1948. The militias (the local villagers called them "foreigners") were riffraff, badly trained, and no match for the Jewish forces, 28,000 members of which served in the British Army during World War II. Arab society was fragmented and institutionally dysfunctional, with an abyss between town and country, rich and poor, landowners and impoverished tenants, Christians and Muslims, the educated and the illiterate, the pro-Husseinis and their enemies. There was no hint of central policy or guidance. The numbers of fighters on both sides was at all times during the war equal and the Arabs had tanks and an air forces, but quantity never translated to quality on the Arab side.

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Return

Henry Kissinger is Dead, Long Live Realpolitik

By: Sam Vaknin, Brussels Morning

It is time to give up on the failing liberal democracy project and its attendant ideologies: human rights, sanctity of life, rule of law, civic engagement, international community, and other such infantile inanities.

Liberal democracy is fading everywhere because exactly like Communism it is founded on a counterfactual view of human psychology and on a fallacious reframing of human history.

Ideologies are inflexible and self-defeating straightjackets. Adherence to such fantasies ineluctably and inexorably leads to conflict and mayhem.

As the USA's Founding Fathers knew, universal franchise democracy is a dangerously flawed idea. It empowers the nescient and the dumb, gives rise to demagogues, and elevates ruthless, populist antisocial leaders.

Similarly the human and civil rights agendas are totalitarian victimhood doctrines that abrogate the inalienable and primordial right for self-defense and the meritocratic allocation of resources, among many other consequent distortions.

We need to get rid of all this delusional enlightenment baggage and revert to Realpolitik: the consummate use of power, hard and soft, to create and maintain peace and to regulate conflict.

Contrary to deliberate misrepresentations by bleeding heart acolytes of the liberal democracy religion, Realpolitik does not equate might with right nor does it do away with a civil discourse among interest-holders. It merely recognizes reality, adapts to it transigently, on the fly, without preconceptions, and aspires to optimize outcomes in a game theoretical manner.

Where is the place of existing structures in a Realpolitik world?

Human institutions are founded on the preservation of utilization of power: its dissemination, its management, and its maintenance. Realpolitik is about honestly admitting to this fact, not about instigating a revolution.

What about the rule of law? It is a natural derivative of Realpolitik because the state possesses a monopoly on the legitimate use of violence.

But will not Realpolitik sacrifice niceties such as human and civil rights? Not necessarily and not always. But it will dispense summarily with the self-imputed right to intervene in the internal affairs of sovereigns. Let domestic power matrices within polities determines the local admixtures of the rights and obligations of the populace and the shape and functioning of their institutions.

By far the greatest impact of Realpolitik will be the pacification of international affairs. In a Realpolitik world, powers – global and regional – would recognize each other's spheres of

influence and rarely trespass for as long as overt, unambiguously signalled might is the regulating and organizing principle of international affairs.

Time to resurrect Henry Kissinger and the long line of wise statesmen who preceded him throughout history and who served as his intellectual inspiration.

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Return

Minorities or Immigrants? The Kven and Sami Peoples of Norway

By: Sam Vaknin, Brussels Morning

The phrase "minority rights" conjures abhorrent images of Palestinians tortured in Israeli prisons; Aegean Macedonians expelled from Greece or incarcerated on remote islands, there to perish; and Native-Americans confined to wasteland "reservations", having been decimated for decades. But, the sad truth is that minorities are welcome nowhere and that every single nation harbors embarrassing skeletons in its historical closet.

Consider Norway, by far the least plausible candidate for the role of perpetrators of genocide, physical or cultural. This remote Scandinavian polity has repeatedly won every conceivable prize for upholding and cherishing human rights. Yet, it, too, has a dark chapter that ended only recently.

During the 18th and 19th centuries, many Finns - destitute farmers and fishermen - emigrated from their homeland and from Sweden and settled in the inhospitable northern reaches of Norway. They joined the original inhabitants of that area, Finns known as Sami. The new arrivals came to be known as Kvener (in Norwegian), Kvenee (in their own Finnish dialect), or simply Kven, by everyone else.

Fully one quarter of the population in the north identified themselves as Kven in the census of 1875 - yet, it took their adopted country two centuries (and a parliamentary investigative committee) to recognize them a minority (in 1996) and to accept their right to use their language (in 2005) within the framework of the European Charter for Regional or Minority Languages.

Yet, this may have been too little, too late. In the intervening period, the word "Kven" was used as a pejorative by the Kvens' upstanding "ethnically pure" compatriots. Kven and Sami culture and languages were considered backward and inferior (with racist undertones). Across the border, in Sweden, Samis were compulsorily sterilized.

In Norway, the Kven and Sami were re-labeled "The Foreign Nations" (non-Nordic, of Mongol roots) and "The Original Immigrants" (a falsification of history, as the Norwegians were the immigrants, not the Sami).

The mandate of the "Finn Fund", established in the 19th century by the National Assembly, called on it to "civilize" the Kven and the Sami. Even after World War II, as Norway sought to "modernize" itself, Kven and Sami civilizations were cast as outdated and primitive.

Consequently, many Kvens now claim counterfactually to be Norwegians (or merely Norwegian Finns) and consider the Kven language to be a dialect of Finnish.

Inevitably, in a nationalistic backlash, some Kven now insist that they are the aborigines of northern Europe and that once, in the 11th century, they ran an empire that covered most of northern Scandinavia. Groups of opportunistic Swedish Finns support these theories in an attempt to leverage the ILO 169 Convention about the Rights of Indigenous People and apply it to Sweden's Kvens.

Be that as it may, the truth is that Norway had made it exceedingly difficult for Kvens (and other Finns, such as the Sami people) to obtain citizenship or maintain it and literally impossible to buy real estate - unless they agreed to change their names, give up their language and culture and, later, move away from sensitive border areas (they were considered pro-Russian, then pro-German and, therefore, a security risk). Additionally, lands in the public domain (in truth, owned by the Sami and Kven) were declared to be state property and confiscated without compensation.

This discriminatory policy was known as fornorskningspolitikken (Norwegianization).

Thus, for instance, well into the 1950s, it was forbidden to teach the Sami language in schools (with a few exceptions in the 1930s and 1940s). The very existence of the Sami nation (as a minority) was acknowledged only in 1989, after massive demonstrations in 1979 (ostensibly against the construction of an environmentally-disruptive dam, but actually to air Sami grievances).

Only in the 1990s were some of the wrongs righted: the Sami language was declared a "national treasure" (and a second official language in Norway), a Sami parliament was established, and lands appropriated by the state were returned to the Sami people.

The Kven are envious of the Samis' achievements. Well into the 1990s, they were still being labeled "immigrants" (and not a minority) by the Norwegian state.

In 1987, they established The Norwegian Kven Organization. Its aims are both political and cultural: the ultimate compilation of a government report about the Kven population; liaising with the Norwegian media; to push for the establishment of a State Secretary for Kven issues; to further the knowledge of the Kven language, from the kindergarten level onwards, using the proceeds of a Kven culture fund and income from museums and culture centers. The Kven also demand bilingual signage and place names.

Yet, only after Norway ratified, in 1999, the Council of Europe's Framework Convention for the Protection of National Minorities, did it reluctantly alter the Kvens' status and accept that they are a "national minority" (a process started in 1996): a minority with a historical presence (longer than 100 years) in a given territory. The Kven language has been recognized as minority language only in 2005.

Now, only Norway and Canada maintain a three-tiered hierarchy of "nations": indigenous, minority, and immigrants.

Even so, Norway is light years ahead of countries such as Israel and Greece who completely deny the existence of their minorities. Israel has insisted until quite recently that the Palestinian "nation" is a 1964 invention and the Greeks refuse to accept the existence of Macedonians on Greek soil.

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Return

Nation-states and Minorities: Oxymoron or Ideal?

By: Sam Vaknin, Brussels Morning

The recent wars in Ukraine and in Gaza gave rise yet again to the question whether Hamas and the pro-Russian militias in Donetsk are terrorists (at best insurgents) or freedom fighters. This conundrum is a throwback to the olden times of colonialism.

James Cook misled the British government back home by neglecting to report about the aborigines he spotted on the beaches of New Holland. This convenient omission allowed him to claim the territory for the crown.

In the subsequent waves of colonization, the aborigines perished. Modern Australia stands awash in their blood, constructed on their graves, thriving on their confiscated lands. The belated efforts to redress these wrongs meet with hostility and the atavistic fears of the dispossessor.

Same, of course, applies to the convoluted and gory interactions between the Native Americans (aka Indians) and the white, European settlers.

In "Altneuland" (translated to Hebrew as "Tel Aviv"), the feverish tome composed by Theodore Herzl, Judaism's improbable visionary, the author refers to the Arabs ("negroes", who have nothing to lose and everything to gain from the Jewish process of colonization) as pliant and compliant butlers, replete with gloves and tarbushes ("livery").

In the book, German Jews prophetically land at Haifa, the only port in erstwhile Palestine. They are welcomed and escorted by "Briticized" Arab ("negro") gentlemen's gentlemen who are only too happy to assist their future masters and colonizers to disembark.

Frequently, when religious or ethnic minorities attempted to assimilate themselves within the majority, the latter reacted by spawning racist theories and perpetrating genocide.

Consider the Jews:

They have tried assimilation twice in the two torturous millennia since they have been exiled by the Romans from their ancestral homeland. In Spain, during the 14th and 15th centuries, they converted en masse to Christianity, becoming "conversos" or, as they were disparagingly maligned by the Old Christians, Marranos (pigs).

As B. Netanyahu observes in his magnum opus, "The Origins of the Inquisition in Fifteenth Century Spain":

"The struggle against the conversos, who by virtue of their Christianity sought entry into Spanish society, led to the development of a racial doctrine and a genocidal solution to the converso problem." (p. 584)

Exactly the same happened centuries later in Germany. During the 19th century, Jews leveraged newfound civil liberties and human rights to integrate closely with their society. Their ascendance and success were rejected by Germans of all walks of life. The result was,

again, the emergence of Hitler's racist policies based on long expounded "theories" and the genocide known as the Holocaust.

In between these extremes - of annihilation and assimilation - modern Europe has come up with a plethora of models and solutions to the question of minorities which plagued it and still does. Two schools of thought emerged: the nationalistic-ethnic versus the cultural.

Nineteenth-century social-thinkers-turned-freedom-fighters discovered that it is easier to unite a disparate mob and motivate it to achieve common goals when issues are cast in terms of a threat to its "identity" (however mythical or counterfactual it may be). Thus, "race", "nation", and "history" trump "equality" and "justice" (or even "prosperity" and "liberty") when it comes to spawning cohesive, goal-oriented, other-excluding collectives.

Europe has always been torn between centrifugal and centripetal forces. Multi-ethnic empires alternated with swarms of mini-states with dizzying speed. European Unionism clashed with brown-turning-black nationalism and irredentism. Universalistic philosophies such as socialism fought racism tooth and nail. European history became a blood dripping pendulum, swung by the twin yet conflicting energies of separation and integration.

The present is no different. The dream of the European Union confronted the nightmare of a dismembered Yugoslavia throughout the last decade. And ethnic tensions are seething all across the continent. Hungarians in Romania, Slovakia, Ukraine and Serbia, Bulgarians in Moldova, Albanians in Macedonia, Russians in the Baltic countries, even Padans in Italy and the list is long.

The cultural school of co-existence envisaged multi-ethnic states with shared philosophies and value systems which do not infringe upon the maintenance and preservation of the ethnic identities of their components. The first socialists adopted this model enthusiastically. They foresaw a multi-ethnic, multi-cultural socialist mega-state. The socialist values, they believed, will serve as the glue binding together the most disparate of ethnic elements.

In the event, it took a lot more than common convictions. It took suppression on an unprecedented scale and it took concentration camps and the morbid application of the arts and sciences of death. And even then, both the Nazi Reich and Stalinist USSR fell to ethnic pieces.

The national(istic) school supports the formation of ethnically homogenous states, if necessary, by humane and gradual (or inhuman and abrupt) ethnic cleansing . Homogeneity is empirically linked to stability and, therefore, to peace, economic prosperity and oftentimes to democracy. Heterogeneity breeds friction, hatred, violence, instability, poverty and authoritarianism.

The conclusion is simple: ethnicities cannot co-exist. Ethnic groups (a.k.a. nations) must be left to their own devices, put differently: they must be allocated a piece of land and allowed to lead their lives as they see fit. The land thus allocated should correspond, as closely as possible, with the birthplace of the nation, the scenery of its past and the cradle of its culture.

The principle of self-determination allows any group, however small, to declare itself a "nation" and to establish its own "nation-state". This has been carried to laughable extremes in Europe after the Cold War has ended when numerous splinters of former states and

federations now claimed nationhood and consequently statehood. The shakier both claims appeared, the more virulent the ensuing nationalism.

Thus, the nationalist school increasingly depended on denial and repression of the existence of heterogeneity and of national minorities. This was done by:

(a) Ethnic Cleansing

Greece and Turkey exchanged population after the first world war. Czechoslovakia expelled the Sudeten Germans after the Second World War and the Nazis rendered big parts of Europe Judenrein. Bulgarians forced Turks to flee. The Yugoslav succession wars were not wars in the Clausewitz sense - rather they were protracted guerilla operations intended to ethnically purge swathes of the "motherland".

(b) Ethnic Denial

In 1984, the Bulgarian communist regime forced the indigenous Turkish population to "Bulgarize" their names. The Slav minorities in the Hungarian part of the Austro-Hungarian empire were forced to "Magyarize" following the 1867 Compromise. Franco's Spain repressed demands for regional autonomy.

Other, more democratic states, fostered a sense of national unity by mass media and school indoctrination. Every facet of life was subjected to and incorporated in this relentless and unforgiving pursuit of national identity: sports, chess, national holidays, heroes, humour. The particularisms of each group gained meaning and legitimacy only through and by their incorporation in the bigger picture of the nation. Thus, Greece denies to this very day that there are Turks or Macedonians on its soil. There are only Muslim Greeks, it insists (often brutally and in violation of human and civil rights). The separate identities of Brittany and Provence were submerged within the French collective one and so was the identity of the Confederate South in the current USA. Some call it "cultural genocide".

The nationalist experiment failed miserably. It was pulverized by a million bombs, slaughtered in battlefields and concentration camps, set ablaze by fanatics and sadists. The pendulum swung. In 1996, Hungarians were included in the Romanian government and in 1998 they made it to the Slovakian one. In Macedonia, Albanian parties took part in all the governments since independence. The cultural school, on the ascendance, was able to offer three variants:

(1) The Local Autonomy

Ethnic minorities are allowed to use their respective languages in certain municipalities where they constitute more than a given percentage (usually twenty) of the total population. Official documents, street signs, traffic tickets and education all are translated to the minority language as well as to the majority's. This rather meaningless placebo has a surprisingly tranquillizing effect on restless youth and nationalistic zealots. In 1997, police fought local residents in a few Albanian municipalities precisely on this issue.

(2) The Territorial Autonomy

Ethnic minorities often constitute a majority in a given region. Some "host" countries allow them to manage funds, collect taxes and engage in limited self-governance. This is the regional or territorial autonomy that Israel offered to the Palestinians (too late) and that Kosovo and Vojvodina enjoyed under the 1974 Yugoslav constitution (which Milosevic shredded to very small pieces). This solution was sometimes adopted by the nationalist competition itself. The Nazis dreamt up at least two such territorial "final solutions" for the Jews (one in Madagascar and one in Poland). Stalin gave the Jews a decrepit wasteland, Birobidjan, to be their "homeland". And, of course, there were the South African "homelands".

(3) The Personal Autonomy

Karl Renner and Otto Bauer advanced the idea of the individual as the source of political authority - regardless of his or her domicile. Between the two world wars, Estonia gave personal autonomy to its Jews and Russians. Wherever they were, they were entitled to vote and elect representatives to bodies of self-government. These had symbolic taxation powers but exerted more tangible authority over matters educational and cultural. This idea, however benign sounding, encountered grave opposition from right and left alike. The right wing "exclusive" nationalists rejected it because they regarded minorities the way a sick person regards his germs. And the left wing, "inclusive", nationalists saw in it the seeds of discrimination, an anathema.

How and why did we find ourselves embroiled in such a mess?

It is all the result of the wrong terminology, an example of the power of words. The Jews (and Germans) came up with the "objective", "genetic", "racial" and "organic" nation. Membership was determined by external factors over which the member-individual had no control. The French "civil" model - an 18th century innovation - regarded the nation and the state as voluntary collectives, bound by codes and values which are subject to social contracts. Benedict Anderson called the latter "imagined communities".

Naturally, it was a Frenchman (Ernest Renan) who wrote:

"Nations are not eternal. They had a beginning and they will have an end. And they will probably be replaced by a European confederation."

He was referring to the fact that nation STATES were nothing but (at the time) a century old invention of dubious philosophical pedigree. The modern state was indeed invented by intellectuals (historians and philologists) and then solidified by ethnic cleansing and the horrors of warfare. Jacob Grimm virtually created the chimeral Serbo-Croat "language". Claude Fauriel dreamt up the reincarnation of ancient Greece in its eponymous successor. The French sociologist and anthropologist Marcel Mauss remarked angrily that "it is almost comical to see little-known, poorly investigated items of folklore invoked at the Peace Conference as proof that the territory of this or that nation should extend over a particular area because a certain shape of dwelling or bizarre custom is still in evidence".

Archaeology, anthropology, philology, history and a host of other sciences and arts were invoked in an effort to substantiate a land claim. And no land claim was subjected to a statute of limitations, no subsequent conquest or invasion or settlement legitimized. Witness the "Dacian wars" between Hungary and Romania over Transylvania (are the Romanians latter

day Dacians or did they invade Transylvania long after it was populated by the Hungarians?). Witness the Israelis and the Palestinians. And, needless to add, witness the Serbs and the Albanians, the Greeks and the Macedonians and the Macedonians and the Bulgarians.

Thus, the modern nation-state was a reflection of something more primordial, of human nature itself as it resonated in the national founding myths (most of them fictitious or contrived). The supra-national dream is to many a nightmare. Europe is fragmenting into micro-nations while unifying its economies. These two trends are not mutually exclusive as is widely and erroneously believed. Actually, they are mutually reinforcing. As the modern state loses its major economic roles and functions to a larger, supranational framework - it loses its legitimacy and its raison d'etre.

The one enduring achievement of the state was the replacement of allegiance to a monarch, to a social class, to a region, or to a religion by an allegiance to a "nation". This subversive idea comes back to haunt itself. It is this allegiance to the nation that is the undoing of the tolerant, multi-ethnic, multi-religious, abstract modern state. To be a nationalist is to belong to ever smaller and more homogenous groups and to dismantle the bigger, all inclusive polity which is the modern state.

Indeed, the state is losing in the battlefield of ideas to the other two options: micro-nationalism (homogeneous and geographically confined) and reactionary affiliation. Micro-nationalism gave birth to Palestine and to Kosovo, to the Basque land and to Quebec, to Montenegro and to Moldova, to regionalism and to local patriotism. It is a fragmenting force. Modern technology makes many political units economically viable despite their minuscule size - and so they declare their autonomy and often aspire to independence.

Reactionary Affiliation is cosmopolitan. Think about the businessman, the scholar, the scientist, the pop star, the movie star, the entrepreneur, the arbitrageur and the internet. People feel affiliated to a profession, a social class, a region, or a religion more than they do to their state. Hence the phenomena of ex-pats, mass immigration, international managers. This is a throwback to an earlier age when the modern state was not yet invented. Indeed, the predicament of the nation-state is such that going back may be the only benign way of going forward.

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Hawala: Hamas's Private Banking

By: Sam Vaknin, Brussels Morning

As the New-York Times have recently exposed, Hamas own dozens of small businesses – in mining, chicken farming, road construction, etc. - in Pakistan, Algeria, Turkey, and Sudan. They possess prime real estate in all these countries as well as skyscrapers in the United Arab Emirates. All in all, a portfolio of about 500 million USD in investments.

Hamas also controls, not to say appropriates, the $1.1 billion in annual transfers from the Palestinian Authority and collaborates with UNRWA under the radar. Another 60-360 million USD in Qatari funds are funneled every year to defray the costs of supporting 100,000 indigent families and pay the salaries of civil servants: teachers, doctors, and an assortment of bureaucrats (a total of 1.49 billion USD between 2012-2021).

But Hamas's bloodline is the informal money transfer network known as Hawala, through which they receive about $100 million USD annually in donations and Iranian aid. The money is routed through banks in the USA, Europe, Turkey, Qatar, Iran, and the UAE before it makes its way into the penumbral spiderweb.

In the wake of the September 11 terrorist attacks on the USA, attention was drawn to the age-old, secretive, and globe-spanning banking system developed in Asia and known as "Hawala" (to change, in Arabic). It is based on a short term, discountable, negotiable, promissory note (or bill of exchange) called "Hundi". While not limited to Moslems, it has come to be identified with "Islamic Banking".

Islamic Law (Sharia'a) regulates commerce and finance in the Fiqh Al Mua'malat, (transactions amongst people). Modern Islamic banks are overseen by the Shari'a Supervisory Board of Islamic Banks and Institutions ("The Shari'a Committee").

The Shi'a "Islamic Laws according to the Fatawa of Ayatullah al Uzama Syed Ali al-Husaini Seestani" has this to say about Hawala banking:

"2298. If a debtor directs his creditor to collect his debt from the third person, and the creditor accepts the arrangement, the third person will, on completion of all the conditions to be explained later, become the debtor. Thereafter, the creditor cannot demand his debt from the first debtor."

The prophet Muhammad (a cross border trader of goods and commodities by profession) encouraged the free movement of goods and the development of markets. Numerous Moslem scholars railed against hoarding and harmful speculation (market cornering and manipulation known as "Gharar"). Moslems were the first to use promissory notes and assignment, or transfer of debts via bills of exchange ("Hawala"). Among modern banking instruments, only floating and, therefore, uncertain, interest payments ("Riba" and "Jahala"), futures contracts, and forfeiting are frowned upon. But agile Moslem traders easily and often circumvent these religious restrictions by creating "synthetic Murabaha (contracts)" identical to Western forward and futures contracts. Actually, the only allowed transfer or trading of debts (as distinct from the underlying commodities or goods) is under the Hawala.

"Hawala" consists of transferring money (usually across borders and in order to avoid taxes or the need to bribe officials) without physical or electronic transfer of funds. Money changers ("Hawaladar") receive cash in one country, no questions asked. Correspondent hawaladars in another country dispense an identical amount (minus minimal fees and commissions) to a recipient or, less often, to a bank account. E-mail, or letter ("Hundi") carrying couriers are used to convey the necessary information (the amount of money, the date it has to be paid on) between Hawaladars. The sender provides the recipient with code words (or numbers, for instance the serial numbers of currency notes), a digital encrypted message, or agreed signals (like handshakes), to be used to retrieve the money. Big Hawaladars use a chain of middlemen in cities around the globe.

But most Hawaladars are small businesses. Their Hawala activity is a sideline or moonlighting operation. "Chits" (verbal agreements) substitute for certain written records. In bigger operations there are human "memorizers" who serve as arbiters in case of dispute. The Hawala system requires unbounded trust. Hawaladars are often members of the same family, village, clan, or ethnic group. It is a system older than the West. The ancient Chinese had their own "Hawala" - "fei qian" (or "flying money"). Arab traders used it to avoid being robbed on the Silk Road. Cheating is punished by effective ex-communication and "loss of honour" - the equivalent of an economic death sentence. Physical violence is rarer but not unheard of. Violence sometimes also erupts between money recipients and robbers who are after the huge quantities of physical cash sloshing about the system. But these, too, are rare events, as rare as bank robberies. One result of this effective social regulation is that commodity traders in Asia shift hundreds of millions of US dollars per trade based solely on trust and the verbal commitment of their counterparts.

Hawala arrangements are used to avoid customs duties, consumption taxes, and other trade-related levies. Suppliers provide importers with lower prices on their invoices, and get paid the difference via Hawala. Legitimate transactions and tax evasion constitute the bulk of Hawala operations. Modern Hawala networks emerged in the 1960's and 1970's to circumvent official bans on gold imports in Southeast Asia and to facilitate the transfer of hard earned wages of expatriates to their families ("home remittances") and their conversion at rates more favourable (often double) than the government's. Hawala provides a cheap (it costs c. 1% of the amount transferred), efficient, and frictionless alternative to morbid and corrupt domestic financial institutions. It is Western Union without the hi-tech gear and the exorbitant transfer fees.

Unfortunately, these networks have been hijacked and compromised by drug traffickers (mainly in Afganistan and Pakistan), corrupt officials, secret services, money launderers, organized crime, and terrorists. Pakistani Hawala networks alone move up to 5 billion US dollars annually according to estimates by Pakistan's Minister of Finance, Shaukut Aziz. In 1999, Institutional Investor Magazine identified 1100 money brokers in Pakistan and transactions that ran as high as 10 million US dollars apiece. As opposed to stereotypes, most Hawala networks are not controlled by Arabs, but by Indian and Pakistani expatriates and immigrants in the Gulf. The Hawala network in India has been brutally and ruthlessly demolished by Indira Ghandi (during the emergency regime imposed in 1975), but Indian nationals still play a big part in international Hawala networks. Similar networks in Sri Lanka, the Philippines, and Bangladesh have also been eradicated.

The OECD's Financial Action Task Force (FATF) says that:

"Hawala remains a significant method for large numbers of businesses of all sizes and individuals to repatriate funds and purchase gold.... It is favoured because it usually costs less than moving funds through the banking system, it operates 24 hours per day and every day of the year, it is virtually completely reliable, and there is minimal paperwork required."

(Organisation for Economic Co-Operation and Development (OECD), "Report on Money Laundering Typologies 1999-2000," Financial Action Task Force, FATF-XI, February 3, 2000, at *http://www.oecd.org/fatf/pdf/TY2000_en.pdf*)

Hawala networks closely feed into Islamic banks throughout the world and to commodity trading in South Asia. There are more than 200 Islamic banks in the USA alone and many thousands in Europe, North and South Africa, Saudi Arabia, the Gulf states (especially in the free zone of Dubai and in Bahrain), Pakistan, Malaysia, Indonesia, and other South East Asian countries. By the end of 1998, the overt (read: tip of the iceberg) liabilities of these financial institutions amounted to 148 billion US dollars. They dabbled in equipment leasing, real estate leasing and development, corporate equity, and trade/structured trade and commodities financing (usually in consortia called "Mudaraba").

While previously confined to the Arab peninsula and to south and east Asia, this mode of traditional banking became truly international in the 1970's, following the unprecedented flow of wealth to many Moslem nations due to the oil shocks and the emergence of the Asian tigers. Islamic banks joined forces with corporations, multinationals, and banks in the West to finance oil exploration and drilling, mining, and agribusiness. Many leading law firms in the West (such as Norton Rose, Freshfields, Clyde and Co. and Clifford Chance) have "Islamic Finance" teams which are familiar with Islam-compatible commercial contracts.

HAWALA AND TERRORISM

Recent anti-terrorist legislation in the US and the UK allows government agencies to regularly supervise and inspect businesses that are suspected of being a front for the "Hawala" banking system, makes it a crime to smuggle more than $10,000 in cash across USA borders, and empowers the Treasury secretary (and its Financial Crimes Enforcement Network - FinCEN) to tighten record-keeping and reporting rules for banks and financial institutions based in the USA. A new inter-agency Foreign Terrorist Asset Tracking Center (FTAT) was set up. A 1993 moribund proposed law requiring US-based Halawadar to register and to report suspicious transactions may be revived. These relatively radical measures reflect the belief that the al-Qaida network of Osama bin Laden uses the Hawala system to raise and move funds across national borders. A Hawaladar in Pakistan (Dihab Shill) was identified as the financier in the attacks on the American embassies in Kenya and Tanzania in 1998.

But the USA is not the only country to face terrorism financed by Hawala networks.

In mid-2001, the Delhi police, the Indian government's Enforcement Directorate (ED), and the Military Intelligence (MI) arrested six Jammu Kashmir Islamic Front (JKIF) terrorists. The arrests led to the exposure of an enormous web of Hawala institutions in Delhi, aided and abetted, some say, by the ISI (Inter Services Intelligence, Pakistan's security services). The Hawala network was used to funnel money to terrorist groups in the disputed Kashmir Valley.

Luckily, the common perception that Hawala financing is paperless is wrong. The transfer of information regarding the funds often leaves digital (though heavily encrypted) trails. Couriers and "contract memorizers", gold dealers, commodity merchants, transporters, and moneylenders can be apprehended and interrogated. Written, physical, letters are still the favourite mode of communication among small and medium Hawaladars, who also invariably resort to extremely detailed single entry bookkeeping. And the sudden appearance and disappearance of funds in bank accounts still have to be explained. Moreover, the sheer scale of the amounts involved entails the collaboration of off shore banks and more established financial institutions in the West. Such flows of funds affect the local money markets in Asia and are instantaneously reflected in interest rates charged to frequent borrowers, such as wholesalers. Spending and consumption patterns change discernibly after such influxes. Most of the money ends up in prime world banks behind flimsy business facades. Hackers in Germany claimed (without providing proof) to have infiltrated Hawala-related bank accounts.

The problem is that banks and financial institutions - and not only in dodgy offshore havens ("black holes" in the lingo) - clam up and refuse to divulge information about their clients. Banking is largely a matter of fragile trust between bank and customer and tight secrecy. Bankers are reluctant to undermine either. Banks use mainframe computers which can rarely be hacked through cyberspace and can be compromised only physically in close co-operation with insiders. The shadier the bank - the more formidable its digital defenses. The use of numbered accounts (outlawed in Austria, for instance, only recently) and pseudonyms (still possible in Lichtenstein) complicates matters. Bin Laden's accounts are unlikely to bear his name. He has collaborators.

Hawala networks are often used to launder money, or to evade taxes. Even when employed for legitimate purposes, to diversify the risk involved in the transfer of large sums, Hawaladars apply techniques borrowed from money laundering. Deposits are fragmented and wired to hundreds of banks the world over ("starburst"). Sometimes, the money ends up in the account of origin ("boomerang").

Hence the focus on payment clearing and settlement systems. Most countries have only one such system, the repository of data regarding all banking (and most non-banking) transactions in the country. Yet, even this is a partial solution. Most national systems maintain records for 6-12 months, private settlement and clearing systems for even less.

Yet, the crux of the problem is not the Hawala or the Hawaladars. The corrupt and inept governments of Asia are to blame for not regulating their banking systems, for over-regulating everything else, for not fostering competition, for throwing public money at bad debts and at worse borrowers, for over-taxing, for robbing people of their life savings through capital controls, for tearing at the delicate fabric of trust between customer and bank (Pakistan, for instance, froze all foreign exchange accounts two years ago). Perhaps if Asia had reasonably expedient, reasonably priced, reasonably regulated, user-friendly banks - Osama bin Laden would have found it impossible to finance his mischief so invisibly.

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Is Trump a Proto-fascist?

By: Sam Vaknin, Brussels Morning

Recent statements by the front runner in the Republican primaries for Presidential candidate, Donald Trump, were eerily reminiscent of pronouncements by Adolf Hitler. Trump compared his rivals and adversaries to vermin to be destroyed, promised to establish concentration camps, and blamed immigrants for poisoning the blood of the USA.

But does this foaming at the mouth amount to fascism?

"What we are looking for here is the sort of person that slashes pictures, takes a hammer to Michelangelo's statues and a flamethrower to books; someone who hates art and ideas so much that he wants to destroy them: a fascist."

Inspector Morse in "The Twilight of the Gods" (1993)

Nazism - and, by extension, fascism (though the two are by no means identical) - amounted to permanent revolutionary civil wars. In his magnum opus "The Death of Politics" (1994), John Laughland coined the apt term "subversive right", or in his own words: "(a) mixture of Left and Right ... (that has) embraced nationalist and socialist ideas ..."

Fascist movements were founded, inter alia, on negations and on the militarization of politics. Their raison d'etre and vigor were derived from their rabid opposition to liberalism, communism, conservatism, rationalism, and individualism and from exclusionary racism. It was a symbiotic relationship - self-definition and continued survival by opposition.

Yet, all fascist movements suffered from fatal - though largely preconcerted - ideological tensions. In their drive to become broad, pluralistic, churches (a hallmark of totalitarian movements) - these secular religions often offered contradictory doctrinal fare.

I. **Renewal vs. Destruction**

The first axis of tension was between renewal and destruction. Fascist parties invariably presented themselves as concerned with the pursuit and realization of a utopian program based on the emergence of a "new man" (in Germany it was a mutation of Nietzsche's Superman). "New", "young", "vital", and "ideal" were pivotal keywords. Destruction was both inevitable (i.e., the removal of the old and corrupt) and desirable (i.e., cathartic, purifying, unifying, and ennobling).

Yet fascism was also nihilistic. It was bipolar: either utopia or death. Hitler instructed Speer to demolish Germany when his dream of a thousand-years Reich crumbled. This mental splitting mechanism (all bad or all good, black or white) is typical of all utopian movements. Similarly, Stalin (not a fascist) embarked on orgies of death and devastation every time he faced an obstacle.

This ever-present tension between construction, renewal, vitalism, and the adoration of nature - and destruction, annihilation, murder, and chaos - was detrimental to the longevity and cohesion of fascist fronts.

II. **Individualism vs. Collectivism**

A second, more all-pervasive, tension was between self-assertion and what Griffin and Payne call "self transcendence". Fascism was a cult of the Promethean will, of the super-man, above morality, and the shackles of the pernicious materialism, egalitarianism, and rationalism. It was demanded of the New Man to be willful, assertive, determined, self-motivating, a law unto himself. The New Man, in other words, was supposed to be contemptuously a-social (though not anti-social).

But here, precisely, arose the contradiction. It was society which demanded from the New Man certain traits and the selfless fulfillment of certain obligations and observance of certain duties. The New Man was supposed to transcend egotism and sacrifice himself for the greater, collective, good. In Germany, it was Hitler who embodied this intolerable inconsistency. On the one hand, he was considered to be the reification of the will of the nation and its destiny. On the other hand, he was described as self-denying, self-less, inhumanly altruistic, and a temporal saint martyred on the altar of the German nation.

This doctrinal tension manifested itself also in the economic ideology of fascist movements.

Fascism was often corporatist or syndicalist (and always collectivist). At times, it sounded suspiciously like Leninism-Stalinism. Payne has this to say:

"What fascist movements had in common was the aim of a new functional relationship for the functional and economic systems, eliminating the autonomy (or, in some proposals, the existence) of large-scale capitalism and modern industry, altering the nature of social status, and creating a new communal or reciprocal productive relationship through new priorities, ideals, and extensive governmental control and regulation. The goal of accelerated economic modernization was often espoused ..."
(Stanley G. Payne - A History of Fascism 1914-1945 - University of Wisconsin Press, 1995 - p. 10)

Still, private property was carefully preserved and property rights meticulously enforced. Ownership of assets was considered to be a mode of individualistic expression (and, thus, "self-assertion") not to be tampered with.

This second type of tension transformed many of the fascist organizations into chaotic, mismanaged, corrupt, and a-moral groups, lacking in direction and in self-discipline. They swung ferociously between the pole of malignant individualism and that of lethal collectivism.

III. **Utopianism vs. Struggle**

Fascism was constantly in the making, eternally half-baked, subject to violent permutations, mutations, and transformations. Fascist movements were "processual" and, thus, in permanent revolution (rather, since fascism was based on the negation of other social forces, in permanent civil war). It was a utopian movement in search of a utopia. Many of the elements of a utopia were there - but hopelessly mangled and mingled and without any coherent blueprint.

In the absence of a rational vision and an orderly plan of action - fascist movements resorted to irrationality, the supernatural, the magical, and to their brand of a secular religion. They emphasized the way -rather than the destination, the struggle - rather than the attainment, the battle - rather than the victory, the effort - rather than the outcome, or, in short - the Promethean and the Thanatean rather than the Vestal, the kitschy rather than the truly aesthetic.

IV. **Organic vs. Decadent**

Fascism emphasized rigid social structures - supposedly the ineluctable reflections of biological strictures. As opposed to politics and culture - where fascism was revolutionary and utopian - socially, fascism was reactionary, regressive, and defensive. It was pro-family. One's obligations, functions, and rights were the results of one's "place in society". But fascism was also male chauvinistic, adolescent, latently homosexual ("the cult of virility", the worship of the military), somewhat pornographic (the adoration of the naked body, of "nature", and of the young), and misogynistic. In its horror of its own repressed androgynous "perversions" (i.e., the very decadence it claimed to be eradicating), it employed numerous defense mechanisms (e.g., reaction formation and projective identification). It was gender dysphoric and personality disordered.

V. **Elitism vs. Populism**

All fascist movements were founded on the equivalent of the Nazi Fuhrerprinzip. The leader - infallible, indestructible, invincible, omnipotent, omniscient, sacrificial - was a creative genius who embodied as well as interpreted the nation's quiddity and fate. His privileged and unerring access to the soul of the fascist movement, to history's grand designs, and to the moral and aesthetic principles underlying it all - made him indispensable and worthy of blind and automatic obedience.

This strongly conflicted with the unmitigated, all-inclusive, all-pervasive, and missionary populism of fascism. Fascism was not egalitarian (see section above). It believed in a fuzzily role-based and class-based system. It was misogynistic, against the old, often against the "other" (ethnic or racial minorities). But, with these exceptions, it embraced one and all and was rather meritocratic. Admittedly, mobility within the fascist parties was either the result of actual achievements and merit or the outcome of nepotism and cronyism - still, fascism was far more egalitarian than most other political movements.

This populist strand did not sit well with the overweening existence of a Duce or a Fuhrer. Tensions erupted now and then but, overall, the Fuhrerprinzip held well.

Fascism's undoing cannot be attributed to either of these inherent contradictions, though they made it brittle and clunky. To understand the downfall of this meteoric latecomer - we must look elsewhere, to the 17th and 18th century.

Note - Exclusionary Ideas of Progress

Communism, Fascism, Nazism, and Religious Fundamentalism are as utopian as the classical Idea of Progress, which is most strongly reified by Western science and liberal democracy. All four illiberal ideologies firmly espouse a linear view of history: Man progresses by accumulating knowledge and wealth and by constructing ever-improving

polities. Similarly, the classical, all-encompassing, idea of progress is perceived to be a "Law of Nature" with human jurisprudence and institutions as both its manifestations and descriptions. Thus, all ideas of progress are pseudo-scientific.

Still, there are some important distinctions between Communism, Fascism, Nazism, and Religious Fundamentalism, on the one hand, and Western liberalism, on the other hand:

All four totalitarian ideologies regard individual tragedies and sacrifices as the inevitable lubricant of the inexorable March Forward of the species. Yet, they redefine "humanity" (who is human) to exclude large groups of people. Communism embraces the Working Class (Proletariat) but not the Bourgeoisie, Nazism promotes one Volk but denigrates and annihilates others, Fascism bows to the Collective but viciously persecutes dissidents, Religious Fundamentalism posits a chasm between believers and infidels.

In these four intolerant ideologies, the exclusion of certain reviled groups of people is both a prerequisite for the operation of the "Natural Law of Progress" and an integral part of its motion forward. The moral and spiritual obligation of "real" Man to future generations is to "unburden" the Law, to make it possible for it to operate smoothly and in optimal conditions, with all hindrances (read: undesirables) removed (read: murdered).

All four ideologies subvert modernity (in other words, Progress itself) by using its products (technology) to exclude and kill "outsiders", all in the name of servicing "real" humanity and bettering its lot.

But liberal democracy has been intermittently guilty of the same sin. The same deranged logic extends to the construction and maintenance of nuclear weapons by countries like the USA, the UK, France, and Israel: they are intended to protect "good" humanity against "bad" people (e.g., Communists during the Cold war, Arabs, or failed states such as Iran). Even global warming is a symptom of such exclusionary thinking: the rich feel that they have the right to tax the "lesser" poor by polluting our common planet and by disproportionately exhausting its resources.

The fact is that, at least since the 1920s, the very existence of Mankind is being recurrently threatened by exclusionary ideas of progress. Even Colonialism, which predated modern ideologies, was inclusive and sought to "improve" the Natives" and "bring them to the White Man's level" by assimilating or incorporating them in the culture and society of the colonial power. This was the celebrated (and then decried) "White Man's Burden". That we no longer accept our common fate and the need to collaborate to improve our lot is nothing short of suicidal.

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Income, Justice, Fairness: A European Muddle

By: Sam Vaknin, Brussels Morning

The European Social Survey of Justice and Fairness in Europe had this to say in September 2020:

"Over the past few decades, European societies have witnessed unprecedented increases in inequalities in wealth and income. Faced with more flexible labour markets, skillbased technological change, ongoing demographic change and migration, European welfare models have been unable to effectively address these rising inequalities.

Accordingly, inequalities in wealth, income, education and other social resources and their consequences for solidarity, social cohesion, and democracy more generally have attracted much attention, both in academic and public debate. While some argue that increasing inequalities are always harmful and serve as proof of growing injustices in society, others see a certain degree of inequality as a necessary component of a market economy.

They argue that differences in individual talents, investments made in one's own education, or even motivation must be rewarded. Whether inequalities are large or small, good or bad, just or unjust, always seems to depend on the normative perspective from which they are illuminated. Empirical justice research shows that people differ in their preference for certain distributions and distribution rules and thus ultimately also in their perception and evaluation of existing inequalities."

The pandemic exacerbated income inequality dramatically. But linking income, justice, and fairness is a curious mix.

The public outcry against executive pay and compensation followed disclosures of insider trading, double dealing, and outright fraud. But even honest and productive entrepreneurs often earn more money in one year than Albert Einstein did in his entire life. This strikes many - especially academics - as unfair. Surely Einstein's contributions to human knowledge and welfare far exceed anything ever accomplished by sundry businessmen? Fortunately, this discrepancy is cause for constructive jealousy, emulation, and imitation. It can, however, lead to an orgy of destructive and self-ruinous envy.

Such envy is reinforced by declining social mobility in the United States. Recent (2006-7) studies by the OECD (Organization for Economic Cooperation and Development) clearly demonstrate that the American Dream is a myth. In an editorial dated July 13, 2007, the New-York Times described the rapidly deteriorating situation thus:

"... (M)obility between generations — people doing better or worse than their parents — is weaker in America than in Denmark, Austria, Norway, Finland, Canada, Sweden, Germany, Spain and France. In America, there is more than a 40 percent chance that if a father is in the bottom fifth of the earnings' distribution, his son will end up there, too. In Denmark, the equivalent odds are under 25 percent, and they are less than 30 percent in Britain.

America's sluggish mobility is ultimately unsurprising. Wealthy parents not only pass on

that wealth in inheritances, they can pay for better education, nutrition and health care for their children. The poor cannot afford this investment in their children's development — and the government doesn't provide nearly enough help. In a speech earlier this year, the Federal Reserve chairman, Ben Bernanke, argued that while the inequality of rewards fuels the economy by making people exert themselves, opportunity should be "as widely distributed and as equal as possible." The problem is that the have-nots don't have many opportunities either."

Still, entrepreneurs recombine natural and human resources in novel ways. They do so to respond to forecasts of future needs, or to observations of failures and shortcomings of current products or services. Entrepreneurs are professional - though usually intuitive - futurologists. This is a valuable service and it is financed by systematic risk takers, such as venture capitalists. Surely they all deserve compensation for their efforts and the hazards they assume?

Exclusive ownership is the most ancient type of such remuneration. First movers, entrepreneurs, risk takers, owners of the wealth they generated, exploiters of resources - are allowed to exclude others from owning or exploiting the same things. Mineral concessions, patents, copyright, trademarks - are all forms of monopoly ownership. What moral right to exclude others is gained from being the first?

Nozick advanced Locke's Proviso. An exclusive ownership of property is just only if "enough and as good is left in common for others". If it does not worsen other people's lot, exclusivity is morally permissible. It can be argued, though, that all modes of exclusive ownership aggravate other people's situation. As far as everyone, bar the entrepreneur, are concerned, exclusivity also prevents a more advantageous distribution of income and wealth.

Exclusive ownership reflects real-life irreversibility. A first mover has the advantage of excess information and of irreversibly invested work, time, and effort. Economic enterprise is subject to information asymmetry: we know nothing about the future and everything about the past. This asymmetry is known as "investment risk". Society compensates the entrepreneur with one type of asymmetry - exclusive ownership - for assuming another, the investment risk.

One way of looking at it is that all others are worse off by the amount of profits and rents accruing to owner-entrepreneurs. Profits and rents reflect an intrinsic inefficiency. Another is to recall that ownership is the result of adding value to the world. It is only reasonable to expect it to yield to the entrepreneur at least this value added now and in the future.

In a "Theory of Justice" (published 1971, p. 302), John Rawls described an ideal society thus:

"(1) Each person is to have an equal right to the most extensive total system of equal basic liberties compatible with a similar system of liberty for all. (2) Social and economic inequalities are to be arranged so that they are both: (a) to the greatest benefit of the least advantaged, consistent with the just savings principle, and (b) attached to offices and positions open to all under conditions of fair equality of opportunity."

It all harks back to scarcity of resources - land, money, raw materials, manpower, creative brains. Those who can afford to do so, hoard resources to offset anxiety regarding future

uncertainty. Others wallow in paucity. The distribution of means is thus skewed. "Distributive justice" deals with the just allocation of scarce resources.

Yet, even the basic terminology is somewhat fuzzy. What constitutes a resource? What is meant by allocation? Who should allocate resources: Adam Smith's "invisible hand", the government, the consumer, or business? Should it reflect differences in power, in intelligence, in knowledge, or in heredity? Should resource allocation be subject to a principle of entitlement? Is it reasonable to demand that it be just - or merely efficient? Are justice and efficiency antonyms?

The philosopher Jean-Jacques Rousseaus' work is an example of these irreconcilable tensions. On the one hand, he assures us that succumbing to an amorphous "general will" guarantees the simultaneous attainment of both the common good and the individual's welfare and well-being (i.e., of that which is objectively best for him).

Yet, just as we begin to equate the "general will" with the market, Rousseau launches into a tirade against the economic dependence fostered by the efficient division and allocation of labour in line with each agent's comparative advantages. He regards trading, property, and money as the roots of all evil, injustice, and moral decay. Marx took Rousseau to its logical conclusion with his theory of alienation in industrial societies.

Philosophers in Nietzsche's mould believed that the very concept of justice was unnatural. Man-made justice sustains the weak and the individual at the expense of the strong and the collective. Nature, by comparison, is squarely on the side of the fittest, the well-adapted and the group.

Yet, justice is not concerned with survival. It is about equal access to opportunities. Equal access does not guarantee equal outcomes, invariably determined by idiosyncrasies and differences between people. Access leveraged by the application of natural or acquired capacities - translates into accrued wealth. Disparities in these capacities lead to discrepancies in accrued wealth.

The doctrine of equal access is founded on the equivalence of Men. That all men are created equal and deserve the same respect and, therefore, equal treatment is not self evident. European aristocracy well into this century would have probably found this notion abhorrent. Jose Ortega Y Gasset, writing in the 1930's, preached that access to educational and economic opportunities should be premised on one's lineage, up bringing, wealth, and social responsibilities.

A succession of societies and cultures discriminated against the ignorant, criminals, atheists, females, homosexuals, members of ethnic, religious, or racial groups, the old, the immigrant, and the poor. Communism - ostensibly a strict egalitarian idea - foundered because it failed to reconcile strict equality with economic and psychological realities within an impatient timetable.

Philosophers tried to specify a "bundle" or "package" of goods, services, and intangibles (like information, or skills, or knowledge). Justice - though not necessarily happiness - is when everyone possesses an identical bundle. Happiness - though not necessarily justice - is when each one of us possesses a "bundle" which reflects his or her preferences, priorities, and

predilections. None of us will be too happy with a standardized bundle, selected by a committee of philosophers - or bureaucrats, as was the case under communism.

The market allows for the exchange of goods and services between holders of identical bundles. If I seek books, but detest oranges - I can swap them with someone in return for his books. That way both of us are rendered better off than under the strict egalitarian version.

Still, there is no guarantee that I will find my exact match - a person who is interested in swapping his books for my oranges. Illiquid, small, or imperfect markets thus inhibit the scope of these exchanges. Additionally, exchange participants have to agree on an index: how many books for how many oranges? This is the price of oranges in terms of books.

Money - the obvious "index" - does not solve this problem, merely simplifies it and facilitates exchanges. It does not eliminate the necessity to negotiate an "exchange rate". It does not prevent market failures. In other words: money is not an index. It is merely a medium of exchange and a store of value. The index - as expressed in terms of money - is the underlying agreement regarding the values of resources in terms of other resources (i.e., their relative values).

The market - and the price mechanism - increase happiness and welfare by allowing people to alter the composition of their bundles. The invisible hand is just and benevolent. But money is imperfect. The aforementioned Rawles demonstrated (1971), that we need to combine money with other measures in order to place a value on intangibles.

The prevailing market theories postulate that everyone has the same resources at some initial point (the "starting gate"). It is up to them to deploy these endowments and, thus, to ravage or increase their wealth. While the initial distribution is equal - the end distribution depends on how wisely - or imprudently - the initial distribution was used.

Egalitarian thinkers proposed to equate everyone's income in each time frame (e.g., annually). But identical incomes do not automatically yield the same accrued wealth. The latter depends on how the income is used - saved, invested, or squandered. Relative disparities of wealth are bound to emerge, regardless of the nature of income distribution.

Some say that excess wealth should be confiscated and redistributed. Progressive taxation and the welfare state aim to secure this outcome. Redistributive mechanisms reset the "wealth clock" periodically (at the end of every month, or fiscal year). In many countries, the law dictates which portion of one's income must be saved and, by implication, how much can be consumed. This conflicts with basic rights like the freedom to make economic choices.

The legalized expropriation of income (i.e., taxes) is morally dubious. Anti-tax movements have sprung all over the world and their philosophy permeates the ideology of political parties in many countries, not least the USA. Taxes are punitive: they penalize enterprise, success, entrepreneurship, foresight, and risk assumption. Welfare, on the other hand, rewards dependence and parasitism.

According to Rawles' Difference Principle, all tenets of justice are either redistributive or retributive. This ignores non-economic activities and human inherent variance. Moreover, conflict and inequality are the engines of growth and innovation - which mostly benefit the least advantaged in the long run. Experience shows that unmitigated equality results in

atrophy, corruption and stagnation. Thermodynamics teaches us that life and motion are engendered by an irregular distribution of energy. Entropy - an even distribution of energy - equals death and stasis.

What about the disadvantaged and challenged - the mentally retarded, the mentally insane, the paralyzed, the chronically ill? For that matter, what about the less talented, less skilled, less daring? Dworkin (1981) proposed a compensation scheme. He suggested a model of fair distribution in which every person is given the same purchasing power and uses it to bid, in a fair auction, for resources that best fit that person's life plan, goals and preferences.

Having thus acquired these resources, we are then permitted to use them as we see fit. Obviously, we end up with disparate economic results. But we cannot complain - we were given the same purchasing power and the freedom to bid for a bundle of our choice.

Dworkin assumes that prior to the hypothetical auction, people are unaware of their own natural endowments but are willing and able to insure against being naturally disadvantaged. Their payments create an insurance pool to compensate the less fortunate for their misfortune.

This, of course, is highly unrealistic. We are usually very much aware of natural endowments and liabilities - both ours and others'. Therefore, the demand for such insurance is not universal, nor uniform. Some of us badly need and want it - others not at all. It is morally acceptable to let willing buyers and sellers to trade in such coverage (e.g., by offering charity or alms) - but may be immoral to make it compulsory.

Most of the modern welfare programs are involuntary Dworkin schemes. Worse yet, they often measure differences in natural endowments arbitrarily, compensate for lack of acquired skills, and discriminate between types of endowments in accordance with cultural biases and fads.

Libertarians limit themselves to ensuring a level playing field of just exchanges, where just actions always result in just outcomes. Justice is not dependent on a particular distribution pattern, whether as a starting point, or as an outcome. Robert Nozick "Entitlement Theory" proposed in 1974 is based on this approach.

That the market is wiser than any of its participants is a pillar of the philosophy of capitalism. In its pure form, the theory claims that markets yield patterns of merited distribution - i.e., reward and punish justly. Capitalism generates just deserts. Market failures - for instance, in the provision of public goods - should be tackled by governments. But a just distribution of income and wealth does not constitute a market failure and, therefore, should not be tampered with.

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Antisemitism Reconsidered

By: Sam Vaknin, Brussels Morning

"Only loss is universal and true cosmopolitanism in this world must be based on suffering."

Ignacio Silone

"Providence has ordained that I should be the greatest liberator of humanity. I am freeing man from the restraints of an intelligence that has taken charge, from the dirty and degrading self-mortifications of a false vision called conscience and morality…The Ten Commandments have lost their validity. Conscience is a Jewish invention; it is a blemish like circumcision."

Adolf Hitler

On the rise in the wake of the war in Gaza, rabid, aggressive anti-Semitism, coupled with inane and outlandish conspiracy theories of world dominion, is easy to counter, debunk, and dispel. It is the more "reasoned", subtle, and stealthy variety that it pernicious. "No smoke without fire," - say people - "there must be something to it!".

In this dialog I try to deconstruct a "mild" anti-Semitic text. I myself wrote the text - not an easy task considering my ancestry (a Jew) and my citizenship (an Israeli). But to penetrate the pertinent layers - historical, psychological, semantic, and semiotic - I had to "enter the skin" of "rational", classic anti-Semites, to grasp what makes them click and tick, and to think and reason like them.

I dedicated the last few months to ploughing through reams of anti-Semitic tracts and texts. Steeped in more or less nauseating verbal insanity and sheer paranoia, I emerged to compose the following.

The Anti-Semite:

The rising tide of anti-Semitism the world over is universally decried. The proponents of ant-Semitism are cast as ignorant, prejudiced, lawless, and atavistic. Their arguments are dismissed off-handedly.

But it takes one Jew to really know another. Conditioned by millennia of persecution, Jews are paranoid, defensive, and obsessively secretive. It is impossible for a gentile - whom they hold to be inferior and reflexively hostile - to penetrate their counsels.

Let us examine anti-Semitic arguments more closely and in an unbiased manner:

Argument number one - ***Being Jewish is a racial distinction - not only a religious one***

If race is defined in terms of genetic purity, then Jews are as much a race as the remotest and most isolated of the tribes of the Amazon. Genetic studies revealed that Jews throughout the

world - largely due to centuries of in-breeding - share the same genetic makeup. Hereditary diseases which afflict only the Jews attest to the veracity of this discovery.

Judaism is founded on shared biology as much as shared history and customs. As a religion, it proscribes a conjugal union with non-Jews. Jews are not even allowed to partake the food and wine of gentiles and have kept their distance from the communities which they inhabited - maintaining tenaciously, through countless generations, their language, habits, creed, dress, and national ethos. Only Jews become automatic citizens of Israel (the infamous Law of Return).

The Jewish Response:

Race has been invariably used as an argument against the Jews. It is ironic that racial purists have always been the most fervent anti-Semites. Jews are not so much a race as a community, united in age-old traditions and beliefs, lore and myths, history and language. Anyone can become a Jew by following a set of clear (though, admittedly, demanding) rules. There is absolutely no biological test or restriction on joining the collective that is known as the Jewish people or the religion that is Judaism.

It is true that some Jews are differentiated from their gentile environments. But this distinction has largely been imposed on us by countless generations of hostile hosts and neighbors. The yellow Star of David was only the latest in a series of measures to isolate the Jews, clearly mark them, restrict their economic and intellectual activities, and limit their social interactions. The only way to survive was to stick together. Can you blame us for responding to what you yourselves have so enthusiastically instigated?

The Anti-Semite:

Argument number two - ***The Jews regard themselves as Chosen, Superior, or Pure***

Vehement protestations to the contrary notwithstanding, this is largely true. Your purported and self-imputed ancestor, Abraham, struck a Faustian deal with Yahwe or Jehova, the monotheistic deity he conjured up: he sold Jehovah his soul in return for promises of wealth, might, and earthly possessions (notably, land) granted to him and to his lineage, now branded “The Chosen People”.

Orthodox Jews and secular Jews differ, of course, in their perception of this supremacy. The religious attribute it to divine will, intellectuals to the outstanding achievements of Jewish scientists and scholars, the modern Israeli is proud of his invincible army and thriving economy. But they all share a sense of privilege and commensurate obligation to civilize their inferiors and to spread progress and enlightenment wherever they are. This is a pernicious rendition of the colonial White Man's Burden and it is coupled with disdain and contempt for the lowly and the great unwashed (namely, the gentiles).

The Jewish Response:

There were precious few Jews among the great colonizers and ideologues of imperialism (Disraeli being the exception). Moreover, to compare the dissemination of knowledge and enlightenment to colonialism is, indeed, a travesty.

We, the Jews, are proud of our achievements. Show me one group of people (including the anti-Semites) who isn't? But there is an abyss between being justly proud of one's true accomplishments and feeling superior as a result. Granted, there are narcissists and megalomaniacs everywhere and among the members of any human collective. Hitler and his Aryan superiority is a good example.

The Anti-Semite:

Argument number three - ***Jews have divided loyalties***

It is false to say that Jews are first and foremost Jews and only then are they the loyal citizens of their respective countries. Jews have unreservedly fought and sacrificed in the service of their homelands, often killing their coreligionists in the process. But it is true that Jews believe that what is good for the Jews is good for the country they reside in. By aligning the interests of their adopted habitat with their narrower and selfish agenda, Jews feel justified to promote their own interests to the exclusion of all else and all others.

Moreover, the rebirth of the Jewish State presented the Jews with countless ethical dilemmas which they typically resolved by adhering uncritically to Tel-Aviv's official line. This often brought them into direct conflict with their governments and non-Jewish compatriots and enhanced their reputation as untrustworthy and treacherous.

Hence the Jewish propensity to infiltrate decision-making centers, such as politics and the media. Their aim is to minimize conflicts of interests by transforming their peculiar concerns and preferences into official, if not always consensual, policy. This viral hijacking of the host country's agenda is particularly evident in the United States where the interest of Jewry and of the only superpower have become inextricable.

It is a fact - not a rant - that Jews are over-represented in certain, influential, professions (in banking, finance, the media, politics, the film industry, publishing, science, the humanities, etc.). This is partly the result of their emphases on education and social upward mobility. But it is also due to the tendency of well-placed Jews to promote their brethren and provide them with privileged access to opportunities, funding, and jobs.

The Jewish Response:

Most modern polities are multi-ethnic and multi-cultural (an anathema to anti-Semites, I know). Every ethnic, religious, cultural, political, intellectual, and economic or business group tries to influence policy-making by various means. This is both legitimate and desirable. Lobbying has been an integral and essential part of democracy since it was invented in Athens 2500 years ago. The Jews and Israelis are no exception.

Jews are, indeed, over-represented in certain professions in the United States. But they are under-represented in other, equally important, vocations (for instance, among company CEOs, politicians, diplomats, managers of higher education institutions, and senior bankers). Globally, Jews are severely under-represented or not-existent in virtually all professions due to their demography (aging population, low birth-rates, unnatural deaths in wars and slaughters).

The Anti-Semite:

Argument number four - ***Jews act as a cabal or mafia***

There is no organized, hierarchical, and centralized worldwide Jewish conspiracy. Rather the Jews act in a manner similar to al-Qaida: they freelance and self-assemble ad hoc in cross-border networks to tackle specific issues. Jewish organizations - many in cahoots with the Israeli government - serve as administrative backup, same as some Islamic charities do for militant Islam. The Jews' ability and readiness to mobilize and act to further their plans is a matter of record and the source of the inordinate influence of their lobby organizations in Washington, for instance.

When two Jews meet, even randomly, and regardless of the disparities in their background, they immediately endeavor to see how they can further each other's interests, even and often at the expense of everyone else's.

Still, the Jewish diaspora, now two millennia old, is the first truly global phenomenon in world affairs. Bound by a common history, a common set of languages, a common ethos, a common religion, common defenses and ubiquitous enemies - Jews learned to closely cooperate in order to survive.

No wonder that all modern global networks - from Rothschild to Reuters - were established by Jews. Jews also featured prominently in all the revolutionary movements of the past three centuries. Individual Jews - though rarely the Jewish community as a whole - seem to benefit no matter what.

When Czarist Russia collapsed, Jews occupied 7 out of 10 prominent positions in both the Kerensky (a Jew himself) government and in the Lenin and early Stalin administrations. When the Soviet Union crumbled, Jews again benefited mightily. Three quarters of the famous "oligarchs" (robber barons) that absconded with the bulk of the defunct empire's assets were - you guessed it - Jews.

The Jewish Response:

Ignoring the purposefully inflammatory language for a minute, what group does not behave this way? Harvard alumni, the British Commonwealth, the European Union, the Irish or the Italians in the United States, political parties the world over ... As long as people co-operate legally and for legal ends, without breaching ethics and without discriminating against deserving non-members - what is wrong with that?

The Anti-Semite:

Argument number five - ***The Jews are planning to take over the world and establish a world government***

This is the kind of nonsense that discredits a serious study of the Jews and their role in history, past and present. Endless lists of prominent people of Jewish descent are produced in support of the above contention. Yet, governments are not the mere sum of their constituent individuals. The dynamics of power subsist on more than the religious affiliation of office-holders, kingmakers, and string-pullers.

Granted, Jews are well introduced in the echelons of power almost everywhere. But this is still a very far cry from a world government. Neither were Jews prominent in any of the recent moves - mostly by the Europeans - to strengthen the role of international law and attendant supranational organizations.

The Jewish Response:

What can I say? I agree with you. I would only like to set the record straight by pointing out the fact that Jews are actually under-represented in the echelons of power everywhere (including in the United States). Only in Israel - where they constitute an overwhelming majority - do Jews run things.

The Anti-Semite:

Argument number six - ***Jews are selfish, narcissistic, haughty, double-faced, dissemblers. Zionism is an extension of this pathological narcissism as a colonial movement***

Judaism is not missionary. It is elitist. But Zionism has always regarded itself as both a (19th century) national movement ***and*** a (colonial) civilizing force. Nationalist narcissism transformed Zionism into a mission of acculturation ("White Man's Burden").

In "Altneuland" (translated to Hebrew as "Tel Aviv"), the feverish tome composed by Theodore Herzl, Judaism's improbable visionary - Herzl refers to the Arabs as pliant and compliant butlers, replete with gloves and tarbushes. In the book, a German Jewish family prophetically lands at Jaffa, the only port in erstwhile Palestine. They are welcomed and escorted by "Briticized" Arab gentlemen's gentlemen who are only too happy to assist their future masters and colonizers to disembark.

This age-old narcissistic defence - the Jewish superiority complex - was only exacerbated by the Holocaust.

Nazism posed as a rebellion against the "old ways" - against the hegemonic culture, the upper classes, the established religions, the superpowers, the European order. The Nazis borrowed the Leninist vocabulary and assimilated it effectively. Hitler and the Nazis were an adolescent movement, a reaction to narcissistic injuries inflicted upon a narcissistic (and rather psychopathic) toddler nation-state. Hitler himself was a malignant narcissist, as Fromm correctly noted.

The Jews constituted a perfect, easily identifiable, embodiment of all that was "wrong" with Europe. They were an old nation, they were eerily disembodied (without a territory), they were cosmopolitan, they were part of the establishment, they were "decadent", they were hated on religious and socio-economic grounds (see Goldhagen's "Hitler's Willing Executioners"), they were different, they were narcissistic (felt and acted as morally superior), they were everywhere, they were defenseless, they were credulous, they were adaptable (and thus could be co-opted to collaborate in their own destruction). They were the perfect hated father figure and parricide was in fashion.

The Holocaust was a massive trauma ***not*** because of its dimensions - but because ***Germans***, the epitome of Western civilization, have turned on the Jews, the self-proclaimed missionaries of Western civilization in the Levant and Arabia. It was the betrayal that

mattered. Rejected by East (as colonial stooges) and West (as agents of racial contamination) alike - the Jews resorted to a series of narcissistic responses reified by the State of Israel.

The long term occupation of territories (metaphorical or physical) is a classic narcissistic behavior (of "annexation" of the other). The Six Days War was a war of self defence - but the swift victory only exacerbated the grandiose fantasies of the Jews. Mastery over the Palestinians became an important component in the psychological makeup of the nation (especially the more rightwing and religious elements) because it constitutes "Narcissistic Supply".

The Jewish Response:

Happily, sooner or later most anti-Semitic arguments descend into incoherent diatribe. This dialog is no exception.

Zionism was not conceived out of time. It was born in an age of colonialism, Kipling's "white man's burden", and Western narcissism. Regrettably, Herzl did not transcend the political discourse of his period. But Zionism is far more than Altneuland. Herzl died in 1904, having actually been deposed by Zionists from Russia who espoused ideals of equality for all, Jews and non-Jews alike.

The Holocaust was an enormous trauma and a clarion call. It taught the Jews that they cannot continue with their historically abnormal existence and that all the formulas for accommodation and co-existence failed. There remained only one viable solution: a Jewish state as a member of the international community of nations.

The Six Days War was, indeed, a classic example of preemptive self-defense. Its outcomes, however, deeply divide Jewish communities everywhere, especially in Israel. Many of us believe that occupation corrupts and reject the Messianic and millennial delusions of some Jews as dangerous and nefarious.

Perhaps this is the most important thing to remember:

Like every other group of humans, though molded by common experience, Jews are not a monolith. There are liberal Jews and orthodox Jews, narcissists and altruists, unscrupulous and moral, educated and ignorant, criminals and law-abiding citizens. Jews, in other words, are like everyone else. Can we say the same about anti-Semites? I wonder.

The Anti-Israeli:

The State of Israel is likely to end as did the seven previous stabs at Jewish statehood - in total annihilation. And for the same reasons: conflicts between secular and religious Jews and a racist-colonialist pattern of deplorable behavior. The UN has noted this recidivist misconduct in numerous resolutions and when it justly compared Zionism to racism.

The Jewish Response:

Zionism is undoubtedly a typical 19th century national movement, promoting the interests of an ethnically-homogeneous nation. But it is not and never has been a racist movement. Zionists of all stripes never believed in the inherent inferiority or malevolence or impurity of

any group of people (however arbitrarily defined or capriciously delimited) just because of their common origin or habitation. The State of Israel is not exclusionary. There are a million Israelis who are Arabs, both Christians and Muslims.

It is true, though, that Jews have a special standing in Israel. The Law of Return grants them immediate citizenship. Because of obvious conflicts of interest, Arabs cannot serve in the Israel Defense Forces (IDF). Consequently, they don't enjoy the special benefits conferred on war veterans and ex-soldiers.

Regrettably, it is also true that Arabs are discriminated against and hated by many Israelis, though rarely as a matter of official policy. These are the bitter fruits of the ongoing conflict. Budget priorities are also heavily skewed in favor of schools and infrastructure in Jewish municipalities. A lot remains to be done.

The Anti-Israeli:

Zionism started off as a counter-revolution. It presented itself as an alternative to both orthodox religion and to assimilation in the age of European "Enlightenment". But it was soon hijacked by East European Jews who espoused a pernicious type of Stalinism and virulent anti-Arab racism.

The Jewish Response:

East European Jews were no doubt more nationalistic and etatist than the West European visionaries who gave birth to Zionism. But, again, they were not racist. On the very contrary. Their socialist roots called for close collaboration and integration of all the ethnicities and nationalities in Israel/Palestine.

The Anti-Israeli:

The "Status Quo" promulgated by Israel's first Prime Minister, David Ben-Gurion, confined institutionalized religion to matters of civil law and to communal issues. All affairs of state became the exclusive domain of the secular-leftist nomenclature and its attendant bureaucratic apparatus.

All this changed after the Six Days War in 1967 and, even more so, after the Yom Kippur War. Militant Messianic Jews with radical fundamentalist religious ideologies sought to eradicate the distinction between state and synagogue. They propounded a political agenda, thus invading the traditionally secular turf, to the great consternation of their compatriots.

This schism is unlikely to heal and will be further exacerbated by the inevitable need to confront harsh demographic and geopolitical realities. No matter how much occupied territory Israel gives up and how many ersatz Jews it imports from East Europe, the Palestinians are likely to become a majority within the next 50 years.

Israel will sooner or later face the need to choose whether to institute a policy of strict and racist apartheid - or shrink into an indefensible (though majority Jewish) enclave. The fanatics of the religious right are likely to enthusiastically opt for the first alternative. All the rest of the Jews in Israel are bound to recoil. Civil war will then become unavoidable and with it the demise of yet another short-lived Jewish polity.

The Jewish Response:

Israel is, indeed, faced with the unpalatable choice and demographic realities described above. But don't bet on civil war and total annihilation just yet. There are numerous other political solutions - for instance, a confederacy of two national states, or one state with two nations. But, I agree, this is a serious problem further compounded by Palestinian demands for the right to return to their ancestral territories, now firmly within the Jewish State, even in its pre-1967 borders.

With regards to the hijacking of the national agenda by right-wing, religious fundamentalist Jewish militants - as the recent pullout from Gaza and some of the West Bank proves conclusively, Israelis are pragmatists. The influence of Messianic groups on Israeli decision-making is blown out of proportion. They are an increasingly isolated - though vocal and sometimes violent - minority.

The Anti-Israeli:

Israel could, perhaps, have survived, had it not committed a second mortal sin by transforming itself into an outpost and beacon of Western (first British-French, then American) neo-colonialism. As the representative of the oppressors, it was forced to resort to an official policy of unceasing war crimes and repeated grave violations of human and civil rights.

The Jewish Response:

Israel aligned itself with successive colonial powers in the region because it felt it had no choice, surrounded and outnumbered as it was by hostile, trigger-happy, and heavily armed neighbors. Israel did miss, though, quite a few chances to make peace, however intermittent and hesitant, with its erstwhile enemies. It is also true that it committed itself to a policy of settlements and oppression within the occupied territories which inevitably gave rise to grave and repeated violations on international law. Overlording another people had a corrosive corrupting influence on Israeli society.

The Anti-Israeli:

The Arabs, who first welcomed the Jewish settlers and the economic opportunities they represented, turned against the new emigrants when they learned of their agenda of occupation, displacement, and ethnic cleansing. Israel became a pivot of destabilization in the Middle East, embroiled in conflicts and wars too numerous to count. Unscrupulous and corrupt Arab rulers used its existence and the menace it reified as a pretext to avoid democratization, transparency, and accountability.

The Jewish Response:

With the exception of the 1919 Faisal-Weitzman declaration, Arabs never really welcomed the Jews. Attacks on Jewish outposts and settlers started as early as 1921 and never ceased. The wars in 1948 and in 1967 were initiated or provoked by the Arab states. It is true, though, that Israel unwisely leveraged its victories to oppress the Palestinians and for territorial gains, sometimes in cahoots with much despised colonial powers, such as Britain and France in 1956.

Read **Nakba – or Independence War? Factchecking 1948 (Brussels Morning)**

The Anti-Israeli:

This volatile mixture of ideological racism, Messianic empire-building, malignant theocracy much resented by the vast majority of secular Jews, and alignment with all entities anti-Arab and anti-Muslim will doom the Jewish country. In the long run, the real inheritors and proprietors of the Middle East are its long-term inhabitants, the Arabs. A strong army is not a guarantee of longevity - see the examples of the USSR and Yugoslavia.

Even now, it is not too late. Israel can transform itself into an important and benevolent regional player by embracing its Arab neighbors and by championing the causes of economic and scientific development, integration, and opposition to outside interference in the region's internal affairs. The Arabs, exhausted by decades of conflict and backwardness, are likely to heave a collective sigh of relief and embrace Israel - reluctantly at first and more warmly as it proves itself a reliable ally and friend.

Israel's demographic problem is more difficult to resolve. It requires Israel to renounce its exclusive racist and theocratic nature. Israel must suppress, by force if need be, the lunatic fringe of militant religious fanatics that has been haunting its politics in the last three decades. And it must extend a welcoming hand to its Arab citizens by legislating and enforcing a set of Civil Rights Laws.

The Jewish Response:

Whether this Jewish state is doomed or not, time will tell. Peace with our Arab neighbors and equal treatment of our Arab citizens should be our two over-riding strategic priorities. The Jewish State cannot continue to live by the sword, lest it perishes by it.

If the will is there it can be done. The alternative is too horrible to contemplate.

Sam Vaknin, Ph.D. is a former economic advisor to governments (Nigeria, Sierra Leone, North Macedonia), served as the editor in chief of “Global Politician” and as a columnist in various print and international media including “Central Europe Review” and United Press International (UPI). He taught psychology and finance in various academic institutions in several countries (http://www.narcissistic-abuse.com/cv.html)

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US Public Debt: The Next Great Depression?

By: Sam Vaknin, Brussels Morning

Here are some heartwarming statistics, based on data published by the European Commission:

"The EU's aggregate deficit-to-GDP ratio decreased from -4.7 % in 2021 to -3.3 % in 2022. The debt-to-GDP ratio decreased from 87.4 % at the end of 2021 to 83.5 % at the end of 2022. At the end of 2022, it ranged from 18.5 % in Estonia to 172.6 % in Greece.

European Union Government debt accounted for 83.1 % of the area's Nominal GDP in June 2023, compared with the ratio of 83.4 % in the previous quarter. It was at an all-time high of 92.0 % in March 2021 and a record low of 62.3 % in December 2007.

At the end of the second quarter of 2023, the general government gross debt to GDP ratio in the euro area (EA20) stood at 90.3%, compared with 90.7% at the end of the first quarter of 2023.

Compared with the second quarter of 2022, the government debt to GDP ratio also decreased in both the euro area (from 93.5% to 90.3%) and the EU (from 85.9% to 83.1%).

At the end of the second quarter of 2023, debt securities accounted for 83.4% of euro area and for 82.9% of EU general government debt. Loans made up 13.8% and 14.3% respectively and currency and deposits represented 2.8% of euro area and 2.7% of EU government debt. Intergovernmental lending (IGL) as percentage of GDP at the end of the second quarter of 2023 stood at 1.6% in the euro area and 1.3% in the EU."

The corresponding picture in the USA is far gloomier:

The total federal debt amounted to 34 trillion USD at yearend, about 1.2 times the country's annual economic output and higher than even in the wake of the Great Depression and World War II.

Republican tax cuts coupled with ambitious Democratic climate, healthcare, and infrastructure initiatives plunged the USA into a sea of crimson red. Low interest rates, growing employment, and miniscule inflation masked the growing problem, having kept debt repayments stagnant and sustainable even as the economy was humming along.

In November 2023, Moody's was the first to take notice of the impact that skyrocketing inflation and interest rates would have on the manageability of the debt mountain. The rating agency reduced the outlook for US debt to negative from stable.

Both Janet Yellen and Paul Krugman sounded the alarm. Krugman wrote in an op-ed in the New York Times***: "Serious deficit reduction, a bad idea a decade ago, is a good idea now".***

Interest rates on inflation-protected government bonds have soared from near zero a decade ago to more than 2% currently. Refinancing deficits and past borrowing has thus become considerably more expensive.

Theoretically, unemployment having dropped from 8% in 2010 to 3.7% last year should allow the government to cut back its spending. But inflation has become a major risk. Slashing the federal budget pumps money into an already overheated economy and props up multiple asset bubbles.

Inevitably, in the irredeemably polarized political scene in the USA, Democrats and Republicans fail to even discuss a joint plan of action. The former want to tax the rich, the latter want to cut entitlements such as Medicaid and so, effectively, tax the poor.

The real remedies – increasing taxation on all households, slashing defense and Medicare spending – are off the table in an election year and in the face of multiple geopolitical challenges and threats.

Time is running out. Urgent steps are needed. In their absence, the USA will find itself mired in yet another grave recession – or, possibly, worse, go bankrupt. Should this co-occur with a meltdown of China's Potemkin economy, the world would face the Greatest Depression. Multiple mini-Hitlers already eagerly await precisely this outcome.

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The Democratization of War

By: Sam Vaknin, Brussels Morning

Like all other forms of technology, war technology is being privatized and democratized. Ever since the 1950s, individuals have been challenging the state's monopoly on violence in an organized, structured way by forming militias ("terrorist organizations" aka "freedom fighters").

Mercenary PMC (Private Military Companies) such as the Wagner Group now augment or even substitute for standing armies.

Weapons have been miniaturized and rendered more affordable. The latest example is the kamikaze drone, manufactured by nearly 30 countries around the globe, most notably in Iran. Missiles of all varieties, even ballistic ones, are in the hands of paramilitary formations.

Warfare, especially of the urban kind, has been taken underground, into indestructible tangled networks of tunnels. Cyberspace affords another battlefield of distributed belligerence.

Nation-states now habitually team up with a new variant of proxy clients: nonstate operators in theatres of asymmetrical warfare.

These developments have radically transformed the very nature of war. Social media, smartphone cameras, streaming services, and television have brought the battlefield into our living rooms in live color.

As usual, in the sated West, we keep getting warfare in the developing world all wrong.

Similarly, other lessons about the North-South divide we overlook:

The West has institutionalized corruption (aka lobbying) and now preaches to the developing world about nepotism, cronyism, and venality.

Technology should never be the end - only the means to an end.

The indigenous population knows the best solutions to its problems. We need to listen rather than preach, hector, and dictate.

But, most importantly:

Education is only one path to social mobility. In other societies, reputation and social networking matter much more. In many territories in the third world, terrorism and war are the only viable vocations.

Terror organizations can be eradicated only when they do not enjoy popular support and when they engage mostly in self-enrichment via crime (examples: al-Qaida, ISIS, narco-terrorists in south America). In all other cases, faced with resolute attrition by state actors, terror groups convert into political parties (see Hezbollah, IRA, ETA, Sandinistas, etc.)

More generally: war brings out the best in us and the worst in us.

Throughout the ages, war has been perceived as the epitome and quintessence of masculinity (even when women, like the Amazons, had been doing the soldiering): valor, heroism, courage (overcoming fear), selflessness, altruism, self-sacrifice for the greater good, and protectiveness over the weak and the meek.

But violent conflict leads to negative identity formation: defining oneself in opposition to the Other by dehumanizing, objectifying, and demonizing the enemy.

Most wars are cast as morality plays (good vs, evil). They amount to role playing in an adversarial rule-based game (as revealed when veterans on both sides meet after the war is over, acting all chummy and convivial).

Winning a war validates the triumphant party: it is proof of a divine blessing and of having been chosen (akin to the Protestant work ethic which regards success in business as proof positive of God's favor). The Nazi SS had Gott mit uns carved on their daggers and belt buckles!

Finally, war mediates the tension between individual and collective via the concept of self-sacrifice (special ops are the middle ground).

On the one hand, there is the pornography of extreme, gory battle. War is thus perceived as the ultimate reality TV, a video game come alive, or a horror film incarnate. There is vicarious gratification in witnessing all this safely, from the comfort of one's living room, having been spared the atrocities. A smug sensation of accomplishment, of having gotten away with it.

Distant wars also legitimize aggressive and entitled virtue signaling and competitive morality, a noxious self-aggrandizing and ostentatious form of self-imputed altruism.

There are, of course, those who empathize with the dying and the wounded and the suffering and do their best to help without seeking the attendant accolades of the professional do-gooder.

From personal experience, war is a grind. There is no clear end or horizon to it all. It feels like it could last forever.

PTSD is very common and so is a mounting and all-consuming paranoia, a sense of extreme isolation and ubiquitous threat. It is as if war is a giant gaslighting experience where the very fabric of reality is torn asunder.

In many wars, there is little movement or accomplishments. The scene is frozen, surreal. Gruesome death and mutilation are constant companions.

There is an acute fear of abandonment, of getting lost and an extreme dependency on others, an external locus of control.

War regresses its participants to infancy. Primitive psychological defense mechanisms take over: splitting, alloplastic defenses, defiance, acting out/crazymaking, moral collapse, magical or superstitious thinking.

Civilians in war are instantly and all-pervasively traumatized: they react with a form of trauma bonding or Stockholm Syndrome. They perceive soldiers – even soldiers on their side! – as looming, inexorable hotheaded, trigger-happy, demented, and reckless threats who are hellbent on endangering all and sundry. It is as if they are caught in the crossfire between two rival criminal gangs. They are wary of both parties of combatants and this radical loss of

the ability to trust and to feel safe (no "secure base") yields terror, emotional dysregulation, and self-destructive acting out in some – or a freeze response in others.

All politicians regard war as a legitimate and integral part of the toolbox of human affairs – and justly so: it is. Hostilities are always in the background of diplomacy. Violent conflict is ineluctable, inexorable, and periodic. In many cases, warfare is considered a superior form of geopolitical signaling and the only efficacious way to securing goals. Politicians are, therefore, fatalists: they are resigned to war, inured to it, comprehend it as a force of nature and the reification of "being human".

Vociferous protestations aside, people love a good war: it is a prime variant of dramatic entertainment, a kind of exalted sport. They exult in it. This state of mind comprises extreme anxiety and fear, of course. Every experience is rendered sharper, more crisp, and memorable. In clinical terms, war is a psychotic fantasy, a mass psychegenic illness of sorts.

Nothing decreases the odds of war. It is a myth that economic prosperity and democracy are bulwarks against the eruption of violent conflict. Conversely, literally everything in human psychology predisposes us to aggression. Even empathy makes us choose sides and aggress against the abuser on behalf of the victim-du-jour. War is, therefore, the natural state of the human mind: it caters to numerous deep-set psychological needs. It cleanses, establishes a new equilibrium, and catalyses the replacement of the old with the new, for better or for worse.

War is a cultural-social activity that facilitates intimacy, bonding and cooperation, technological innovation, and the emergence of a cathartic new social or political order each and every time. It is a rite of passage, a redemptive ritual, an engine of progress, and a demarcator of eras.

Humans who are exposed to repeated violence – in wars, in prison, even in hospitals – grow insensitive to it. They dehumanize and brutalize both the Other and themselves. They are suspended in a post-traumatic state, replete with infantile psychological defenses, dissociation, cognitive distortions (such as grandiosity), and emotional numbing.

Like climate change, War is a human phenomenon. Rather than confront it self-delusionally, we better accept it and adapt to it. It is not going away, no matter what we do. So, why waste our scarce resources on its elimination?

I wish to thank Scott Jacobson for his indispensable help in putting together this column.

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Trust in the EU: It's the Economy

By: Sam Vaknin, Brussels Morning

In October 2023, the Journal of European Public Policy, published an article titled "Euroscepticism as a syndrome of stagnation? Regional inequality and trust in the EU", authored by Sofia Vasilopoulou and Lisa Talving. They found that "a non-linear association exists whereby poor and rich European regions tend to trust the EU more compared to middle-income regions, and that within-region over-time growth is associated with higher levels of EU trust. We demonstrate that the association between growth and EU trust is more pronounced among poor and middle-income regions compared to rich regions." In short: trust in the EU and its institutions is a direct derivative of the economic conditions of specific regions in it.

Economics acquired its dismal reputation by pretending to be an exact science rather than a branch of mass psychology. In truth it is a narrative struggling to describe the aggregate behavior of humans. It seeks to cloak its uncertainties and shifting fashions with mathematical formulae and elaborate econometric computerized models.

So much is certain, though - that people operate within markets, free or regulated, patchy or organized. They attach numerical (and emotional) values to their inputs (work, capital) and to their possessions (assets, natural endowments). They communicate these values to each other by sending out signals known as prices.

Yet, this entire edifice - the market and its price mechanism - critically depends on trust. If people do not trust each other, or the economic "envelope" within which they interact ("preemptive mistrust"), economic activity gradually grinds to a halt. There is a strong correlation between the general level of trust and the extent and intensity of economic activity. Francis Fukuyama, the political scientist, distinguishes between high-trust and prosperous societies and low-trust and, therefore, impoverished collectives. Trust underlies economic success, he argued in a 1995 tome.

Trust is not a monolithic quantity. There are a few categories of economic trust. Some forms of trust are akin to a public good and are closely related to governmental action or inaction, the reputation of the state and its institutions, and its pronounced agenda. Other types of trust are the outcomes of kinship, ethnic origin, personal standing and goodwill, corporate brands and other data generated by individuals, households, and firms. Such information creates two types of output: reinforced trust (where behaviour matches expectations) and "inductive distrust" (where behaviour frustrates expectations).

I. Trust in the playing field

To transact, people have to maintain faith in a relevant economic horizon and in the immutability of the economic playing field or "envelope". Put less obscurely, a few hidden assumptions underlie the continued economic activity of market players.

They assume, for instance, that the market will continue to exist for the foreseeable future in its current form. That it will remain inert - unhindered by externalities like government intervention, geopolitical upheavals, crises, abrupt changes in accounting policies and tax

laws, hyperinflation, institutional and structural reform and other market-deflecting events and processes.

They further assume that their price signals will not be distorted or thwarted constantly, thus skewing the efficient and rational allocation of risks and rewards. Insider trading, stock manipulation, monopolies, cartels, informal economic activities ("black market"), and hoarding all tend to consistently but unpredictably distort price signals and, thus, deter market participation.

Market players take for granted the existence and continuous operation of institutions: financial intermediaries, law enforcement agencies, courts, the civil service, educational institutions, and so on. It is important to note that market players prefer continuity and certainty to evolution, however gradual and ultimately beneficial. A venal bureaucrat is a known quantity and can be tackled effectively. A period of transition to good and equitable governance can be more stifling than any level of corruption and malfeasance. This is why economic activity drops sharply whenever institutions are reformed.

II. Trust in other players

Market players assume that other players are (generally) rational, that they have intentions, that they intend to maximize their benefits and that they are likely to act on their intentions in a legal (or rule-based), rational manner.

III. Trust in market liquidity

Market players assume that other players possess or have access to the liquid means they need in order to act on their intentions and obligations. They know, from personal experience, that idle capital tends to dwindle and that the only way to, perhaps, maintain or increase it is to transact with others, directly or through intermediaries, such as banks.

IV. Trust in others' knowledge and ability

Market players assume that other players possess or have access to the intellectual property, technology, and knowledge they need in order to realize their intentions and obligations. This implicitly presupposes that all other market players are physically, mentally, legally and financially able and willing to act their parts as stipulated, for instance, in contracts they sign.

The emotional dimensions of contracting are often neglected in economics. Players assume that their counterparts maintain a realistic and stable sense of self-worth based on intimate knowledge of their own strengths and weaknesses. Market participants are presumed to harbor realistic expectations, commensurate with their skills and accomplishments. Allowance is made for exaggeration, disinformation, even outright deception - but these are supposed to be marginal phenomena.

When trust breaks down - often the result of an external or internal systemic shock - people react expectedly. The number of voluntary interactions and transactions decreases sharply. With a collapsed investment horizon, individuals and firms become corrupt in an effort to shortcut their way into economic benefits, not knowing how long will the system survive. Criminal activity increases.

People compensate with fantasies and grandiose delusions for their growing sense of uncertainty, helplessness, and fears. This is a self-reinforcing mechanism, a vicious cycle which results in under-confidence and a fluctuating self esteem. They develop psychological defence mechanisms.

Cognitive dissonance ("I really choose to be poor rather than heartless"), pathological envy (seeks to deprive others and thus gain emotional reward), rigidity ("I am like that, my family or ethnic group has been like that for generations, there is nothing I can do"), passive-aggressive behavior (obstructing the work flow, absenteeism, stealing from the employer, adhering strictly to arcane regulations) - are all reactions to a breakdown in one or more of the four aforementioned types of trust. Furthermore, people in a trust crisis are unable to postpone gratification. They often become frustrated, aggressive, and deceitful if denied. They resort to reckless behavior and stopgap economic activities.

In economic environments with compromised and impaired trust, loyalty decreases and mobility increases. People switch jobs, renege on obligations, fail to repay debts, relocate often. Concepts like exclusivity, the sanctity of contracts, workplace loyalty, or a career path - all get eroded. As a result, little is invested in the future, in the acquisition of skills, in long term savings. Short-termism and bottom line mentality rule.

The outcomes of a crisis of trust are, usually, catastrophic:

Economic activity is much reduced, human capital is corroded and wasted, brain drain increases, illegal and extra-legal activities rise, society is polarized between haves and haves-not, interethnic and inter-racial tensions increase. To rebuild trust in such circumstances is a daunting task. The loss of trust is contagious and, finally, it infects every institution and profession in the land. It is the stuff revolutions are made of.

V. Trust and Distrust Indices

I suggest a simple index of economic trust with the following variables, all of which are scored on a scale of 1 to 10:

$$T(i) = P+L+C+I+S+M+V+F+R+W$$

The index can thus range from 0 to 100, with 100 signifying total, absolute, unreserved, all-pervasive, and enduring economic trust and 0 represents the complete absence of any form of trust between and among economic agents and actors.

1 divided by the index (1/T(i)) would be the index of economic mistrust.

Population size (P): the bigger the population, the easier it is to cheat and deceive because information is disseminated more slowly and peer pressure is limited;

Law enforcement (L): efficient law enforcement and a functional judiciary enhance trust;

Corruption (C), surprisingly, has a neutral effect: on the one hand, it encourages preemptive mistrust by upsetting the level playing field; on the other hand, corruption and venality

increase certainty in otherwise uncertain economic environments by providing a tried-and-true "price list" for services;

Connectivity (I): the more connected individuals are and the faster the dissemination of accurate, transparent information, the higher the level of trust. Technologies such as the Internet serve to enhance economic trust;

Stability and Predictability (S) are the cornerstones of economic trust: government intervention, geopolitical upheavals, crises, abrupt changes in accounting policies and tax laws, hyperinflation, institutional and structural reform and other market-deflecting events and processes all tend to reduce the average level of trust;

Available and reliable price signals (M), not distorted by insider trading, stock manipulation, hoarding, informal economic activities ("black market"), monopolies, and cartels;

Reliable store of value **(V)**: currency or goods and services can as means of exchange and generate trust only when they represent real long-term value;

Functioning institutions (F) are crucial to the establishment and maintenance of trust: financial intermediaries, law enforcement agencies, courts, the civil service, educational institutions, and so on;

Cultural-social rationality (R): in all cultures and societies there are times when the optimization of profits and benefits, the ethics of contracting, and otherwise rational economic behaviour are subordinated to often self-defeating and self-destructive irrational beliefs, prejudices, stereotypes, and biases, spurred on by capricious and arbitrary leaders, ethos, and mores. Such surrealism is not conducive to economic trust;

Wherewithal (W): when all the economic actors and agents possess the liquidity and knowledge necessary to complete their transactions and honour their obligations, this creates and sustains an atmosphere of trust.

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Return

Israel-Palestine: Two-state Solution Pipedream

By: Sam Vaknin, Brussels Morning

The two states "solution" to the Israeli-Palestinian conflict, now promoted aggressively by both the USA and the EU, is a counterfactual pipedream. It will never materialize.

But many actors have a vested interest in promoting this sideshow, thus diverting attention from the real issue at stake: the mutually exclusive claims of Israelis and Palestinians to the same piece of territory, from the River (Jordan) to the Sea (Mediterranean). History teaches us that such persistent entitlement usually results in genocidal ethnic cleansing of one sort or another.

Attempts to divide the indivisible among the parties to this intractable 140 years old conflict date back almost 100 years. A kaleidoscope of declarations, committees, plans, and resolution during this period led nowhere but to increasing bloodshed in a series of skirmishes and outright wars.

The Palestinians purposefully maintain the only leverage they possess: their partly self-inflicted victimhood, a refugee status, now in its 75th anniversary. Lacking a standing army, they resort to atrocious terrorism time and again.

Israel, in the meantime, has expanded its presence in the disputed territories and has devolved into committing war crimes habitually.

A cursory look at the map tells the story. The Palestinians are shoehorned into two non-contiguous land masses. Linking these hyper-dense enclaves above or under the ground would bisect Israel and render it a hostage to many returns of October 7. It is a non-starter.

The Hamas, the most popular political faction among the Palestinians, is committed to the annihilation of Israel, pragmatic truces ad interim notwithstanding. It represents the surge of belligerent and anti-Western Islamism that gripped both Sunnis and Shia across the world. Israel is perceived as a colonial outpost of settlers, a replay of the Crusades in lands that by right and by might belong to Muslims.

Israel, with some justification, perceives an accommodation with the Palestinians as a lost cause, having witnessed their interlocutors rebuff and trample on the olive branches that it had extended multiple times since the Oslo Accords.

Both parties are now firmly entrenched in an all-or-nothing, zero-sum game mindset. This is not conducive to a deal.

But time is not on Israel's side. Palestinian birth rates are far higher than Jewish ones. Ubiquitous age-old anti-Semitism has now transformed into anti-Zionism and anti-Israelism. Democratized weapons technologies have rendered terrorist organizations in asymmetrical warfare all but unbeatable.

Israelis argue among themselves whether the Jewishness of Israel should outweigh its democratic nature. But this is a delusional and solipsistic debate. Israel cannot remain Jewish

for much longer, even if it were to sacrifice the rule of law and adopt apartheid and genocide as policies.

Moreover: Israel is a paper tiger. It is not self-sufficient and its army is comparable to the Russian one, not the American. The IDF is a mere glorified militia with an air force, one of many in a region overflowing with paramilitary formations. Israel's doomsday show-off nuclear weapons are no more relevant than North Korea's, Iran's, or Pakistan's.

In the wake of an armed insurgency, North Macedonia is now ruled by an Albanian Prime Minister with multiple government ministries in the hands of the hitherto much reviled minority. Its foreign minister, the polylogue MD, Bujar Osmani, is arguably the most eloquent and educated representative abroad the country has ever had.

Israel is heading the same way: a one state solution. The day Israel has a Palestinian Prime Minster and a Palestinian Foreign Minister, Hamas and its ilk are doomed and much-needed peace will have been restored all over a prosperous and proud land.

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Brexit Self-harming and Its Aftermath

By: Sam Vaknin, Brussels Morning

In clinical psychology, the behavior is known as self-defeat, self-harm, or self-destructiveness. In the annals of the European Union (EU), it is known simply as Brexit.

On January 30, 2020, following years of arduous negotiations often bordering on extortion on both sides, the United Kingdom have exited the EU.

In 2016, in a referendum unwisely called by David Cameron, the Conservative Prime Minister at the time, about half of Britons (51%) voted for this act of self-immolation, spurred by nationalist populism and anti-elitism.

How did Britain fare in the wake of Brexit?

Hard to tell. Global disruptions to supply chains, investments, and consumption owing to COVID-19, the wars in Ukraine and in Gaza, and climate change have utterly distorted the gathering of data and have rendered statistics doubtful.

In the UK, the economy grew by 4.1% in 2022 and succeeded to match EU growth rates in 2023 and 2024, according to provisional figures. The ONS (Office for National Statistics) chronicled a recovery from the pandemic: by September 2023, economic activity was 1.5% higher than prior to the global cataclysm.

This is comparable to France, considerably more than Germany's, and dismally lower than the likes of Japan, let alone the USA. The Brexit gamble did not pay off in terms of enhanced growth and FDI: the UK is still tethered to the continent, economically at least.

The figures are profoundly misleading, though. Inflation in the UK ratcheted up to 10% in 2022. Exports to the EU have declined, subjected as they are to new bureaucratic impediments.

Unencumbered by EU red tape and veto power, the UK signed bilateral trade agreements with Australia and the Trans-Pacific Partnership.

But this is a far cry from the grandiose promises of the economically illiterate promoters of Brexit. Negotiations with the likes of Canada and India – far more relevant trade partners – seem to languish.

A country's currency is the best gauge of its crowdsourced monetary, fiscal, and trade health. The British Pound stood at 1.40 to the euro in 2015. It is now trading at c. 1.15. Enough said.

Such precipitous decline is supposed to encourage exports (which it hasn't) and domestic consumption (which it has, having rendered ever more expensive imports far less affordable).

Migration was a main point of contention between the UK and the more lenient EU. It is ironic, therefore, that migration actually surged and has reached new highs post-Brexit.

According to the venerable newspaper Le Monde, the flow of incomers doubled after Brexit, to 682,000 people between June 2022 and June 2023.

To make matters worse, a net 330,000 qualified personnel abandoned the splendidly isolated isles, creating labor shortages and an inflationary pressure on wages.

Newly instituted border controls between the UK and the EU adversely affect both tourism and mobile workers, for example in the critical finance industry.

Short on friends in the continent, having negotiated Brexit in bad faith, the UK is turning even more emphatically to its former colony, the United States.

About three fifths of Britons now regard Brexit to have been a disastrous mistake. Only 30% still support it. Even its most ardent proponents, though, admit that the benefits of the maneuver will accrue only in the long-run.

The EU, in the meantime, has rid itself of an abusive and intractable partner reminiscent of Hungary. It has been functioning more smoothly ever since, gradually reverting to its original charter as a free trade pact.

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Scavenger Economies, Predator Economies

By: Sam Vaknin, Brussels Morning

The national economies of the world can be divided to the scavenger and the predator types. The former are parasitic economies which feed off the latter. The relationship is often not that of symbiosis, where two parties maintain a mutually beneficial co-existence. Here, one economy feeds off others in a way, which is harmful, even detrimental to the hosts. But this interaction - however undesirable - is the region's only hope.

The typology of scavenger economies reveals their sources of sustenance:

Conjunctural

These economies feed off historical or economic conjunctures or crises. They position themselves as a bridge between warring or conflicting parties.

Switzerland rendered this service to Nazi Germany (1933-1945), (North) Macedonia and Greece to Serbia (1992 to the present), Cyprus and Serbia aided and abetted Russia (1987 to the present), Jordan helped Iraq (1991 to the present), and Montenegro acted the part for both Serbia and Kosovo.

These economies consist of smuggling, siege breaking, contraband, arms trade and illegal immigration. They benefit economically by violating both international and domestic laws and by providing international outcasts and rogues with alternative routes of supply, and with goods and services.

Criminal

These economies are infiltrated and hijacked by criminal gangs, kleptocracies, or suffused with criminal behaviour.

Such infiltration is two phased: the properly criminal phase and the money laundering one.

In the first phase, criminal activities yield income and result in wealth accumulation. In the second one, the money thus generated is laundered and legitimized. It is invested in legal, above-board activities.

The economy of the USA during the 19th century and in the years of prohibition was partly criminal. It is reminiscent of the Russian economy, permeated as it is by criminal conduct. Russians often compare their stage of capitalist evolution to the USA's "Wild West".

Piggyback Service Economies

These are economies, which provide predator economies with services. These services are aimed at re-establishing economic equilibrium in the host (predator) economies.

Tax shelters are a fine example of this variety. In many countries taxes are way too high and result in the misallocation of economic resources. Tax shelters offer a way of re-establishing the economic balance and re-instating a regime of efficient allocation of resources.

These economies could be regarded as external appendages, shock absorbers and regulators of their host economies. They feed off market failures, market imbalances, arbitrage opportunities, shortages and inefficiencies.

Many post-Communist countries and polities in south and central America and Asia have made the provision of such services a part of their economic life. Free zones, off shore havens, off shore banking and trans-shipment ports proliferate, from Panama to Archangelsk.

Aid Economies

Economies that derive most of their vitality from aid granted them by donor countries, multilateral aid agencies and NGOs. Many of the economies in transition belong to this class. Up to 15% of their GDP is in the form of handouts, soft loans and technical assistance. Another 15-30% are comprised of remittances.

Rescheduling is another species of financial subsidy and virtually all developing countries have benefited from it. The dependence thus formed can easily deteriorate into addiction. The economic players in such economies engage mostly in lobbying and in political manoeuvring - rather than in production.

Derivative or Satellite Economies

These are economies, which are absolutely dependent upon or very closely correlated with other economies. This is either because they conduct most of their trade with these economies, or because they are a (marginal) member of a powerful regional club (or aspire to become one), or because they are under the economic (or geopolitical or military) umbrella of a regional power or a superpower.

Another variant is the single-commodity or single-goods or single-service economies. Many countries in Africa and many members of the OPEC oil cartel rely on a single product for their livelihood. Russia, for instance, is heavily dependent on proceeds from the sale of its energy products. Most Montenegrins derive their livelihood, directly or indirectly, from smuggling, bootlegging and illegal immigration. Drugs are a major "export" earner in Albania, Afghanistan, and Thailand.

Copycat Economies

These are economies that are based on legal or (more often) illegal copying and emulation of intellectual property: patents, brandnames, designs, industrial processes, other forms of innovation, copyrighted material, etc.

The prime example are Japan and China, which constructed their entire mega-economies on these bases. Both Bulgaria and Russia are Meccas of piracy.

Though prosperous for a time, these economies are dependent on and subject to the vicissitudes of business cycles. They are capital sensitive, inherently unstable and with no real long term prospects if they fail to generate their own intellectual property.

They reflect the volatility of the markets for their goods and are overly exposed to trade risks, international legislation and imports. Usually, they specialize in narrow segments of manufacturing which only increases the precariousness of their situation.

The nosology of Predator Economies includes:

Generators of Intellectual Property

These are economies that encourage and emphasize innovation and progress. They reward innovators, entrepreneurs, non-conformism and conflict. They spew out patents, designs, brands, copyrighted material and other forms of packaged human creativity. They derive most of their income from licensing and royalties and constitute one of the engines driving globalization.

Still, these economies are too poor to support the complementary manufacturing and marketing activities. Their natural counterparts are the "Industrial Bases".

Within the former Eastern Bloc, Russia, Poland, Hungary and Slovenia are, to a limited extent, such generators. Israel is such an economy in the Middle East.

Industrial Bases

These are powerhouse economies that make use of the intellectual property generated by the former type within industrial processes.

They do not copy the intellectual property as it is. Rather, they add to it important elements of adaptation to niche markets, image creation, market positioning, packaging, technical literature, combining it with other products or services, designing and implementing the whole production process, market (demand) creation, improvement upon the originals and value added services.

These contributions are so extensive that the end products, or services can no longer to be identified with the originals, which serve as mere triggers.

Again, Poland, Hungary, Slovenia (and to a lesser extent, Croatia) come to mind.

Consumer Oriented Economies

These are Third Wave (Alvin Toffler's term), services, information and knowledge driven economies.

The over-riding set of values is consumer oriented. Wealth formation and accumulation are secondary. The primary activities are concerned with fostering markets and maintaining them.

These "weightless" economies concentrate on the value added by intangibles: advertising, packaging, marketing, sales promotion, education, entertainment, servicing, dissemination of information, knowledge formation, trading, trading in symbolic assets (mainly financial), spiritual pursuits, and other economic activities which enhance the consumer's welfare (pharmaceuticals, for instance).

These economies are also likely to sport a largish public sector, most of it service oriented.

No emerging or developing economy qualifies as "Consumer Oriented", though there are pockets of consumer-oriented entrepreneurship within each one.

The Trader Economies

These economies are equivalent to the cardiovascular system. They provide the channels and transmission mechanisms through which goods and services are exchanged.

They do this by trading or assuming risks, by providing physical transportation and telecommunications, and by maintaining an appropriately educated manpower to support all these activities.

These economies are highly dependent on the general health of international trade.

Many CEE economies are Trader economies. The openness ratio (trade divided by GDP) of most CEE countries is higher than the G7 countries'. These are the official figures. A lot of trade go unreported in the grey, black, and informal sectors.

Additionally, these states have one low weighted customs rates. Openness to trade is an official policy, actively pursued.

These economies are predatory in the sense that they engage in zero-sum games. A contract gained by a Slovenian company is a contract lost by a Croatian one.

Luckily, in the past few decades, the global economic cake tended to grow and the sum of zero sum games amounted to more welfare for all involved.

These vibrant economies - the hopes of benighted and blighted regions - are justly described as "engines" because they pull all other (scavenger) economies with them. They are not likely to do so forever, however.

Still, until recently most governments have assimilated the lessons of the 1930s. Protectionism is bad for everyone involved - especially for economic engines. Openness to trade, protection of property rights and functioning institutions increase both the number and the scope of markets. The only discordant note is the USA, where the likes of Donald Trump are threatening to upset the apple cart.

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Greece's Homosexual Future: Same-sex Marriage and Parenting

By: Sam Vaknin, Brussels Morning

In the face of fierce opposition by the Christian Orthodox Church and other conservative forces, Greece just passed a law legalizing same-sex marriage and parenting.

The use of the word "marriage" may be historically inaccurate. "Union" would have been better. But should homosexuals be allowed to serve as parents? What do we know about homosexuality, to start with?

A growing body of scientific evidence links the etiology of homosexuality to prenatal hormonal imbalances and to the presence of endocrine disruptors. Still, though genetically-predisposed, homosexual behaviors, mate selection, and sexual scripts are probably acquired, the outcomes of environment and nurture, rather than nature. The jury is still out.

Recent studies in animal sexuality serve to dispel two common myths: that sex is exclusively about reproduction and that homosexuality is an unnatural sexual preference. It now appears that sex is also about recreation as it frequently occurs out of the mating season. And same-sex copulation and bonding are common in hundreds of species, from bonobo apes to gulls.

Moreover, homosexual couples in the Animal Kingdom are prone to behaviors commonly - and erroneously - attributed only to heterosexuals. The New York Times reported in its February 7, 2004 issue about a couple of gay penguins who are desperately and recurrently seeking to incubate eggs together.

In the same article ("Love that Dare not Squeak its Name"), Bruce Bagemihl, author of the groundbreaking ***"Biological Exuberance: Animal Homosexuality and Natural Diversity"***, defines homosexuality as ***"any of these behaviors between members of the same sex: long-term bonding, sexual contact, courtship displays or the rearing of young."***

Still, that a certain behavior occurs in nature (is "natural") does not render it moral. Infanticide, patricide, suicide, gender bias, and substance abuse - are all to be found in various animal species. It is futile to argue for homosexuality or against it based on zoological observations. Ethics is about surpassing nature - not about emulating it.

The more perplexing question remains: what are the evolutionary and biological advantages of recreational sex and homosexuality? Surely, both entail the waste of scarce resources.

Convoluted explanations, such as the one proffered by Marlene Zuk (homosexuals contribute to the gene pool by nurturing and raising young relatives) defy common sense, experience, and the calculus of evolution. There are no field studies that show conclusively or even indicate that homosexuals tend to raise and nurture their younger relatives more that straights do.

Moreover, the arithmetic of genetics would rule out such a stratagem. If the aim of life is to pass on one's genes from one generation to the next, the homosexual would have been far better off raising his own children (who carry forward half his DNA) rather than his nephew or niece (with whom he shares merely one quarter of his genetic material.)

An oft-overlooked fact is that recreational sex and homosexuality have one thing in common: they do not lead to reproduction. Homosexuality may, therefore, be a form of pleasurable sexual play. It may also enhance same-sex bonding and train the young to form cohesive, purposeful groups (the army and the boarding school come to mind).

Furthermore, homosexuality amounts to the culling of 10-15% of the gene pool in each generation. The genetic material of the homosexual is not propagated and is effectively excluded from the big roulette of life. Growers - of anything from cereals to cattle - similarly use random culling to improve their stock. As mathematical models show, such repeated mass removal of DNA from the common brew seems to optimize the species and increase its resilience and efficiency.

It is ironic to realize that homosexuality and other forms of non-reproductive, pleasure-seeking sex may be key evolutionary mechanisms and integral drivers of population dynamics. Reproduction is but one goal among many, equally important, end results. Heterosexuality is but one strategy among a few optimal solutions. Studying biology may yet lead to greater tolerance for the vast repertory of human sexual foibles, preferences, and predilections. Back to nature, in this case, may be forward to civilization.

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Putin Deciphered: Napoleon III

By: Sam Vaknin, Brussels Morning

Peter the Great oriented a reluctant Russia towards the West: its technologies and work ethic, if not its values. Two centuries later, Russian aristocracy was French, its military and commerce German, its monarchy half British, its culture and literature at the core of mainstream Europe. Putin is aiming to reverse all this by firewalling Russia, weaning it off its dependence on the West, and reorienting it towards Asia (from China to the Middle East). It is a gargantuan reversal.

History teaches us little except how little we can learn from it. Still, there is nothing new under the sun. Thus, drawing too many parallels between the environmentalist movements of the late 19th century and their counterparts in the second half of the twentieth century - would probably prove misleading. Similarly, every fin de siecle has its Fukuyama, proclaiming the end of history and the victory of liberalism and capitalism.

Liberal parliamentarianism (coupled with unbridled individualistic capitalism) seemed to irreversibly dominate the political landscape by 1890 - when it was suddenly and surprisingly toppled by the confluence of revolutionary authoritarian nationalism and revolutionary authoritarian socialism.

Yet, every ostensibly modern (or post-modern) phenomenon has roots and mirrors in history. The spreading of the occult, materialism, rationalism, positivism, ethnic cleansing, regionalism, municipal autonomy, environmentalism, alienation ("ennui"), information networking, globalization, anti-globalization, mass migration, capital and labour mobility, free trade - are all new mantras but very old phenomena.

Sometimes the parallels are both overwhelming and instructive.

Overview

Karl Marx regarded Louis-Napoleon's Second Empire as the first modern dictatorship - supported by the middle and upper classes but independent of their patronage and, thus, self-perpetuating. Others went as far as calling it proto-fascistic.

Yet, the Second Empire was insufficiently authoritarian or revolutionary to warrant this title. It did foster and encourage a personality cult, akin to the "Fuhrerprinzip" -but it derived its legitimacy, conservatively, from the Church and from the electorate. It was an odd mixture of Bonapartism, militarism, clericalism, conservatism and liberalism.

In a way, the Second Republic did amount to a secular religion, replete with martyrs and apostles. It made use of the nascent mass media to manipulate public opinion. It pursued industrialization and administrative modernization. But these features characterized all the political movements of the late 19th century, including socialism, and other empires, such as the Habsburg Austro-Hungary.

The Second Empire was, above all, inertial. It sought to preserve the bureaucratic, regulatory, and economic frameworks of the First Empire. It was a rationalist, positivist, and materialist movement - despite the deliberate irrationalism of the young Louis-Napoleon. It was not

affiliated to a revolutionary party, nor to popular militias. It was not collectivist. And its demise was the outcome of military defeat.

The Second Empire is very reminiscent of Vladimir Putin's reign in post-Yeltsin Russia.

Like the French Second Empire, it follows a period of revolutions and counter-revolutions. It is not identified with any one class but does rely on the support of the middle class, the intelligentsia, the managers and industrialists, the security services, and the military.

Putin is authoritarian, but not revolutionary. His regime derives its legitimacy from parliamentary and presidential elections based on a neo-liberal model of government. It is socially conservative but seeks to modernize Russia's administration and economy. Yet, it manipulates the mass media and encourages a personality cult.

Disparate Youths

Like Napoleon III, Putin started off as president (he was shortly as prime minister under Yeltsin). Like him, he may be undone by a military defeat, probably in the Caucasus or Central Asia.

The formative years of Putin and Louis-Napoleon have little in common, though.

The former was a cosseted member of the establishment and witnessed, first hand, the disintegration of his country. Putin was a KGB apparatchik. The KGB may have inspired, conspired in, or even instigated the transformation in Russian domestic affairs since the early 1980's - but to call it "revolutionary" would be to stretch the term.

Louis-Napoleon, on the other hand, was a true revolutionary. He narrowly escaped death at the hands of Austrian troops in a rebellion in Italy in 1831. His brother was not as lucky. Louis-Napoleon's claim to the throne of France (1832) was based on a half-baked ideology of imperial glory, concocted, disseminated and promoted by him. In 1836 and 1840 he even initiated (failed) coups d'etat. He was expelled even from neutral Switzerland and exiled to the USA. He spent six years in prison.

An Eerie Verisimilitude

Still, like Putin, Napoleon III was elected president. Like him, he was regarded by his political sponsors as merely a useful and disposable instrument. Like Putin, he had no parliamentary or political experience. Both of them won elections by promising "order" and "prosperity" coupled with "social compassion". And, like Putin, Louis-Napoleon, to the great chagrin of his backers, proved to be his own man - independent-minded, determined, and tough.

Putin, like Louis-Napoleon before him, proceeded to expand his powers and installed loyalists in every corner of the administration and the army. Like Louis-Napoleon, Putin is a populist, travelling throughout the country, posing for photo opportunities, responding to citizens' queries in Q-and-A radio shows, siding with the "average bloke" on every occasion, taking advantage of Russia's previous economic and social disintegration to project an image of a "strong man".

Putin is as little dependent on the Duma as Napoleon III was on his parliament. But Putin reaped what Boris Yeltsin, his predecessor, has sown when he established an imperial presidency after what amounted to a coup d'etat in 1993 (the bombing of the Duma). Napoleon had to organize his own coup d'etat all by himself in 1852.

The Balancing Act

Napoleon III - as does Putin now - faced a delicate balancing act between the legitimacy conferred by parliamentary liberalism and the need to maintain a police state. When he sought to strengthen the enfeebled legislature he reaped only growing opposition within it to his domestic and foreign policies alike.

He liberalized the media and enshrined in France's legal code various civil freedoms. But he also set in motion and sanctioned a penumbral, all-pervasive and clandestine security apparatus which regularly gathered information on millions of Frenchmen and foreigners.

Modernization and Reform

Putin is considerably less of an economic modernizer than was Napoleon III. Putin also seems to be less interested in the social implications of his policies, in poverty alleviation and in growing economic inequalities and social tensions. Napoleon III was a man for all seasons - a buffer against socialism as well as a utopian social and administrative reformer.

Business flourished under Napoleon III - as it does under Putin. The 1850's witnessed rapid technological change - even more rapid than today's. France became a popular destination for foreign investors. Napoleon III was the natural ally of domestic businessmen until he embarked on an unprecedented trade liberalization campaign in 1860. Similarly, Putin is nudging Russia towards WTO membership and enhanced foreign competition - alienating in the process the tycoon-oligarchs, the industrial complex, and the energy behemoths.

Foreign Policy

Napoleon III was a free trader - as is Putin. He believed in the beneficial economic effects of free markets and in the free exchange of goods, capital, and labour. So does Putin. But economic liberalism does not always translate to a pacific foreign policy.

Napoleon III sought to annul the decisions of the Congress of Vienna (1815) and reverse the trend of post-Napoleonic French humiliation. He wanted to resurrect "Great France" pretty much as Putin wants to restore Russia to its "rightful" place as a superpower.

But both pragmatic leaders realized that this rehabilitation cannot be achieved by force of arms and with a dilapidated economy. Napoleon III tried to co-opt the tidal wave of modern, revolutionary, nationalism to achieve the revitalization of France and the concomitant restoration of its glory. Putin strives to exploit the West's aversion to conflict and addiction to wealth. Napoleon III struggled to establish a new, inclusive European order - as does Putin with NATO and, to a lesser degree, with the European Union today.

Putin artfully manipulated Europe in the wake of the September 11 terrorist attacks on the USA, his new found ally. He may yet find himself in the enviable position of Europe's arbitrator, NATO's most weighty member, a bridge between Central Asia, the Caucasus,

North Korea and China and the USA. The longer his tenure, the more likely he is to become Europe's elder statesman. This is a maneuver reminiscent of Louis-Napoleon's following the Crimean War, when he teamed up with Great Britain against Russia.

Like Putin, Napoleon III modernized and professionalized his army. But, unlike Putin hitherto, he actually went to war (against Austria), moved by his (oft-thwarted) colonial and mercantilist aspirations. Putin is likely to follow the same path (probably in Central Asia, but, possibly, in the Baltics and, the wake of Ukraine, in east Europe as well). Reinvigorated armies (and industrialists) often force expansionary wars upon their reluctant ostensible political masters.

Should Putin fail in his military adventures as Napoleon III did in his and be deposed as he was - these eerie similarities will have come to their natural conclusion.

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Lessons From a Demographically Vanishing China

By: Sam Vaknin, Brussels Morning

The Chinese leadership is worried: the population has been on the decline for two years in a row, signifying a seemingly inexorable plunge in birth rates to half the rate of 2016. Marriages are at an all time low, deaths at an all-time high, as the population ages. China is also one of the most expensive places on earth to raise a child in.

The same trends occur in the majority of the members of the European Union and even in Russia.

China's one child policy imposed, often cruelly, between 1980-2015 has been reversed. Now, couples can have up to 3 children. But it is way too late. Times have changed: nowadays, even an only child is considered a career-retarding nuisance the world over or, at best, a New Age exercise at luxurious self-actualization in one's late 30s or early 40s.

Rearing a child is an exorbitant, sapping undertaking. Half of all offspring cohabit with their parents for decades. The sacrifices required in terms of professional advancement, savings, old-age security, and privacy are mind-boggling.

Children are also a marker of gender disparities, inequality, and inequity. The onerous burden of reproduction and childcare falls disproportionately on the mother.

China has been doing its best recently, instituting new incentives for motherhood such as tax breaks, housing subsidies, and an extended maternity leave.

Yet, the fact is that poor people have more children. The highest birth rates in the world are registered in Africa and parts of Asia with less than 1 US dollar a day in income. Birth rates decline as people become more educated and wealthier. The lowest birth rates in the world are in Germany, Scandinavia, and California. Even within rich polities, poor minorities have the most children per household.

People tend to rationalize their decision to not procreate by using economic excuses. The truth is that many of them simply put career, money-making, enjoying life, and seeing the world ahead of having children. It is a shift in social values and priorities, not a decision driven by harsh economic realities.

Not every problem can be solved by throwing money at it. Modern civilization is self-centered, individualistic, hedonistic, and narcissistic. People put themselves and their interests first.

Experience from countries such as Israel, France, Germany, and Scandinavia where childbirth and childrearing are heavily subsidized shows that government intervention is futile and a colossal waste of resources. In the medium to long-term, it has zero (insignificant) statistical effect. In all these countries - despite the fact that these policies are still being implemented - population growth is flat to negative (except in Israel and France which have a lot of immigrants).

Instead of encouraging women to have more children, the government should make sure that

current families and households are well catered to: workplace discrimination against pregnant women and women in childbirth ages should be outlawed and prosecuted; day care centers should be opened and made available to young mothers; parenting classes and free medical care should be rendered accessible and affordable; a whole gamut of goods and services - from public transport to formula milk to textbooks should be made free to families with more than 4 children; maternity wards should be improved and modernized; new mothers should have preference in professional re-skilling and re-training.

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Voucher Communities: One Solution for Youth Unemployment

By: Sam Vaknin, Brussels Morning

Youth unemployment exceeds 20% in many parts of the EU, in China, Africa, Asia, and throughout the Middle East.

In hundreds of cities in two dozen countries, a fascinating experiment is proving that tackling unemployment effectively may require little more than imagination and institutional commitment.

"Voucher Communities" are communities of unemployed workers organized in each municipality. The unemployed exchange goods and services among themselves in a barter-like or countertrade system. They use a form of "internal money": a voucher bearing a monetary value.

Thus, an unemployed electrician can offer his services to an unemployed teacher who, in turn, gives the electrician's children private lessons. They pay each other with voucher money.

The unemployed are allowed to use voucher money to pay for certain public goods and services (such as healthcare and education).

Voucher money is redeemed or converted to real money – so it has no inflationary or fiscal effects, though it does increase the purchasing power of the unemployed.

Vouchers are regulated by a Clearing Authority. The Clearing Authority has four functions:

(1) To ***issue (print) the vouchers*** in various currency-equivalent denominations

(2) To create and maintain the project's ***information systems*** (see below).

(3) To issue laminated plastic (and, later, magnetic striped) ***identification cards*** to voucher recipients ("Voucher Beneficiary ID Cards")

(4) To provide binding ***dispute settlement and resolution mechanisms and forums***

In some countries, vouchers issued by the Clearing Authority can be used to defray expenditures related to ***education and health*** and to pay ***local taxes***. This is subject to ***agreements*** signed between the Clearing Authority and the relevant local and state authorities.

The Employment Bureau provides the Clearing Authority with ***information about the status of applicants*** (are they unemployed or not), pursuant to the receipt of written release from the applicant.

Some Clearing Authorities act as ***employment agencies***. They match jobseekers with employers who then proceed to pay their employees in vouchers.

In these cases, the Clearing Authorities provides employers with vouchers on condition that they are used to employ the hitherto unemployed beneficiaries.

But what exactly is a voucher?

The voucher is a ***contract between service providers***. It contains the following elements and components:

(1) It is headlined ***"Contract" between payer and receiver to render services***.

(2) A ***denomination*** (how many currency units the voucher represents) known as "Value Store".

(3) The ***serial ID or registration number*** of the voucher.

The vouchers are distributed to the unemployed and the homeless in order to ***enhance their purchasing power*** and enable them to ***resume an economically productive role in society***.

The ***total sum of vouchers*** distributed to any given recipient or beneficiary should not exceed one third of his or her income from all other sources combined.

The vouchers should be distributed ***once every quarter*** and expire at the end of the quarter in which they were distributed.

The voucher recipients or beneficiaries can ***use them to pay*** only for services rendered by other recipients or beneficiaries. They should be allowed to ***freely negotiate transactions*** and agree prices among themselves.

The Clearing Authority maintains a ***Central Registry*** in both hard, print copy and computerized form (Excel spreadsheet).

The Central Registry contains the following data and is indexed thus:

(a) ***Name*** of recipient/beneficiary

(b) ***Profession*** of recipient/beneficiary and ***services rendered*** by him or her

(c) ***Contact details*** (address, phone number, e-mail) of recipient/beneficiary

(d) ***Number and value of outstanding, unused vouchers*** in any given quarter

Customers of the service provider are allowed to ***comment online*** on the service provider's (the voucher recipient's/beneficiary's) performance and conduct and to ***rate*** it.

To summarize:

Each beneficiary/recipient of vouchers has a ***record*** in both print and computerized forms.

The record comprises his or her name, professional qualifications, services rendered, contact details, number and value of outstanding and unused vouchers, and comments and ratings by

clients pertaining to the beneficiary/recipient's performance and conduct in rendering his or her services.

Experience shows that vouchers have both positive and negative macroeconomic and microeconomic implications and outcomes:

(1) Positive

Enhancing the ***purchasing power*** of the unemployed and the homeless

Restarting the ***economic cycle*** in deprived neighborhoods and regions

Increasing the ***psychological well-being*** and motivation of deprived and dysfunctional strata of the population

Engendering ***networks*** of service-providers and customers which can later integrate into the formal, monetized economy

No ***inflationary*** ill effects

No ***fiscal*** ill effects (no budgetary deficits)

(2) Negative

Possible ***hoarding*** of vouchers (largely prevented by the introduction of ***beneficiary/recipient ID cards***)

Vouchers are a form of ***money substitute***. Not only do they subvert the money issuance monopoly of the central bank, they also demonetize the economy and have no multiplier effects. In other words, they create a parallel system that is detached and distinct from the main money supply transmission mechanisms and channels. In this sense, they are reminiscent of cryptoassets.

This can be overcome by ***limiting the amount*** of vouchers in circulation and their duration (expiry or maturity date). The whole operation should be carried out in coordination with the central bank and the Ministry of Finance.

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Two Misconceptions: Trump, Palestine

By: Sam Vaknin, Brussels Morning

Nowhere is delusional wishful thinking more evident than when it comes to Donald Trump and to a Palestinian state.

Trump first (the way he likes it).

In history, there is a long tradition of outlaws and rebels turned heroes and kings: Robin Hood comes to mind and so does King David.

But unlike Robin Hood and King David, when it comes to US politics, Donald Trump is a destroyer, not a reformer, nor, ironically, a builder. Criminal indictments only burnish and cement his credentials as the enfant terrible foe of all things establishment.

The masses in the West feel that they are being held hostage and enslaved by rapacious, venal, and mendacious elites.

They regard these elites and their values as avowed enemies: the West, governments, academia, mainstream media, science, the finance industry, the Jews.

The enemies of the elites are the friends of the masses: terrorists, antisemites, conspiracy theorists, Russia, China, populist authoritarians, the alt right, and authoritarian politicians like Orban, Putin, Erdogan, and Trump.

The masses abuse democracy and empowering technologies in order to destroy the established order.

This is Jose Ortega y Gasset's "Revolt of the Masses" which always results in ochlocracies and atrocities.

Now to a Palestinian state.

Exactly like owning a gun and driving a car, attaining one's own statehood requires a level maturity and training as well as experience. Rogue states are sooner or later doomed to disappear and this is the fate of kleptocrats and bullying thugs.

Every single time the Palestinians have gained a modicum of autonomy and have enjoyed tens of billions in international aid ($44 billion between 1994-2020), they botched the whole thing and reverted to terrorism, corruption, bloody coups, and misgovernance. Their track record of defiant incompetence is both mind-boggling and abominable.

Both the Palestinian Authority and Hamas are egregious, venal, kleptocracies with the latter also an Islamist death cult.

Palestinians are not ready for a state. The international community needs to establish a mandate, a protectorate over the territories assigned to a future Palestinian state and educate

the indigenous population and the local leadership in how countries act: governance, rule of law, democracy.

Only once deemed ready, should the Palestinians be allowed to form a polity which would not a constitute a danger to itself and to its neighbors. It might take a while.

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The Mirage of Minority Rights

By: Sam Vaknin, Brussels Morning

The President of North Macedonia accused Bulgaria of mistreating its Macedonian minority. Putin leveled the same accusation at Ukraine with regards to its Russian-speaking population. Both Bulgaria and Ukraine reject the allegations vehemently. To this very day, many in Israel deny that Palestinians exist.

But what is a minority and whence its rights?

A minority is a group of people who self-identify and self-determine as a minority on grounds of ethnic, linguistic, cultural, religious, or national identity and are possibly discriminated against owing to being a minority.

The rights of minorities are enshrined in numerous bilateral and multilateral treaties and in international law, including in UN declarations. In some cases, minorities are explicitly recognized and identified in state constitutions and thus are protected from persecution or endowed with autonomy and special privileges.

These protections include: the right to not be exterminated or forcibly displaced; the right to not be coercively assimilated and to exercise the language and culture common to the members of the minority; non-discrimination and equality before the law, the institutions, and in the workplace.

Members of the minorities should be allowed and encouraged to participate in the public affairs, politics, culture, education, society, and economy of the host polity. They should be represented in all the institutions, be consulted, and contribute to actual decision-making.

The courts of the host country should protect the minorities from any attempt to infringe on their rights and freedoms and enforce these when and where applicable.

This is the noble theory. Reality is much shabbier. By far the main thorn is the inability to agree on an objective, neutral definition of a minority.

Throughout history and to this very day, majorities or powerful populations have refused to recognize others as disenfranchised minorities with a common culture and history.

This discord often devolved into armed conflict or outright suppression and even genocide.

The solution is to establish an international court for minorities with the power to confer a minority status on applicants, having reviewed the history of the group and having consulted experts from neutral territories.

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Western Balkans as Looming Threat

By: Sam Vaknin, Brussels Morning

The recently declassified 2024 Annual Threat Assessment of the US Intelligence Community had this to say about the western Balkans:

"The Western Balkans probably will face an increased risk of localized interethnic violence during 2024.

Nationalist leaders are likely to exacerbate tension for their political advantage and outside actors will reinforce and exploit ethnic differences to increase or protect their regional influence or thwart greater Balkan integration into the EU or Euro–Atlantic institutions.

• Clashes between Serb nationalists and Kosovar authorities have led to deaths and injuries, including injuries to NATO peacekeepers, in 2023.

• Bosnian Serb leader Milorad Dodik is taking provocative steps to neutralize international

oversight in Bosnia and secure de facto secession for his Republika Srpska. His action could

prompt leaders of the Bosniak (Bosnian Muslim) population to bolster their own capacity to protect their interests and possibly lead to violent conflicts that could overwhelm peacekeeping forces."

The annual assessments enjoy a poor reputation among intelligence pros the world over. They are considered as little more than a glorified compilation of press cuttings. Its authors tend to mindlessly extrapolate current events linearly into the future. Consequently, they rarely get their predictions right.

The only two specific prognostications in the current edition are similarly dubious at best.

In Kosovo, a far likelier long-term outcome is the ethnic cleansing of the indigenous Serbs by the Kurti government with a wink and a nod from the anti-Vucic, anti-Russian Western powers.

Sporadic skirmishes with Serb paramilitaries aside, Kosovo is inexorably turning into an ethnically homogenous, widely diplomatically recognized state, firmly aligned with the West in its proxy wars with Russia. Serbia and Serbs, as usual, are on the wrong side of history.

As for Dodik, he is the rule, not the exception. The Croats in Bosnia and Herzegovina threatened to seceded in 2022. Such brinkmanship is aimed at extracting concessions from the EU and from the other constituents of this artificial polity. It is not an actual political platform. It is a poker bluff.

What is needed is a synoptic, bird's-eye view: tensions abound in all the geopolitical fault lines: Taiwan, Ukraine, Israel, the Balkans, south and central America.

The accelerating decline of the USA has created a yawning power gap and regional actors such as China, Russia, and Iran are rushing in to fulfil the vacancy. New alliances are superimposed on historical enmities. It is a period of tumultuous global transition and the Western Balkans is no exception.

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United States: Dictatorship or Civil War

By: Sam Vaknin, Brussels Morning

If Trump wins the November elections, the United Stated is headed for a dictatorship. If Biden gains the upper hand, Trump and his conspiracist base will never concede and this will inexorably lead to a civil war.

The truth is that the United States is a contiguous continental empire driven to expansion by immigration and military conquests and underpinned by slavery and avarice. It is one of the few remaining colonial enterprises.

Like all empires before it, the USA is heterogenous and suffers from multifarious social ills. These tensions and torsions periodically erupt and rend it asunder. The 1960s-1970s witnessed a slow motion civil war as destructive in its own way as the one in the 1860s-1870s.

But whereas all previous internecine conflicts revolved around relatively narrow issues, the coming conflagration is about the very nature of the polity. Even the Confederacy did not challenge the democratic nature of the USA. Trump does.

Moreover: for the first time in its history, the United States is not cohered by any unifying vision - or external enemy.

Russia has many supporters in the revamped populist Republican party.

China is emerging as a threat, but it is also the second or first largest trade partner of the USA and one of its most prominent foreign investors. Not exactly the successor to imperial Japan, Nazi Germany, or the USSR.

Internally, there is an unbridgeable abyss between Conservatives and Liberal-Progressives which renders this vast country ungovernable. Virulent, visceral partisanship is only the symptom of this accelerating and escalating disintegration.

The USA will survive the way the Roman empire did before it. But it would become unrecognizable even to itself. Transmogrified and disoriented, its rump will stumble along, buffeted by challengers and challenges until it is no more.

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Trump's SPAC: Delusional World of Finance

By: Sam Vaknin, Brussels Morning

Donald Trump just became a few billion dollars richer by merging his Truth Social dud social network with a publicly-traded "blank check" shell SPAC (Special Purpose Acquisition Company).

It is only the most recent example of the growing gaping abyss between real-world values and paper ones.

The securities industry worldwide is constructed upon the quicksand of self-delusion and socially-acceptable confabulations. These serve to hold together players and agents whose interests are both disparate and diametrically opposed. In the long run, the securities markets are zero-sum games and the only possible outcome is win-lose.

The first "dirty secret" is that a firm's market capitalization often stands in inverse proportion to its value and valuation (as measured by an objective, neutral, disinterested party). This is true especially when agents (management) are not also principals (owners).

Owing to its compensation structure, invariably tied to the firms' market capitalization, management strives to maximize the former by manipulating the latter. Very often, the only way to affect the firm's market capitalization in the short-term is to sacrifice the firm's interests and, therefore, its value in the medium to long-term (for instance, by doling out bonuses even as the firm is dying; by speculating on leverage; and by cooking the books).

The second open secret is that all modern financial markets are Ponzi (pyramid) schemes. The only viable exit strategy is by dumping one's holdings on future entrants. Fresh cash flows are crucial to sustaining ever increasing prices. Once these dry up, markets collapse in a heap.

Thus, the market prices of shares and, to a lesser extent debt instruments (especially corporate ones) are determined by three cash flows:

(i) The firm's future cash flows (incorporated into valuation models, such as the CAPM or FAR)

(ii) Future cash flows in securities markets (i.e., the ebb and flow of new entrants)

(iii) The present cash flows of current market participants

The confluence of these three cash streams translates into what we call "volatility" and reflects the risks inherent in the security itself (the firm's idiosyncratic risk) and the hazards of the market (known as alpha and beta coefficients).

In sum, stocks and share certificates do not represent ownership of the issuing enterprise at all. This is a myth, a convenient piece of fiction intended to pacify losers and lure "new blood" into the arena. Shareholders' claims on the firm's assets in cases of insolvency, bankruptcy, or liquidation are of inferior, or subordinate nature.

Stocks and shares are merely options (gambles) on the three cash flows enumerated above. Their prices wax and wane in accordance with expectations regarding the future net present values of these flows. Once the music stops, they are worth little.

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Can Israel Survive Without the USA?

By: Sam Vaknin, Brussels Morning

If the USA were to completely withdraw its military and diplomatic support for Israel, the Jewish state will survive, but only as a militarized pariah.

Demographic trends in the West have rendered Muslims and even Arabs more electorally relevant than the Jews. This bodes ill for the Israelis.

In its hubris, Israel neglected its army, rendering it a paper tiger, a glorified militia with an air force. It also abandoned its defense industries and tolerated or even encouraged an abysmal brain drain.

I. Introduction

It is common knowledge that, in international affairs, emotions defer to self-interest. As George Orwell noted in his masterpiece, "1984", the flux of circumstance may render yesterday's foe tomorrow's friend.

The “allies” of the USA – most notably Ukraine, the EU, and Taiwan - would do well to learn from Israel's turbulent and bitter experience with the United States.

Despite the fact that the Israeli lobby in Washington - AIPAC – used to be by far the mightiest and the best organized, backed as it is by millions of affluent and politically active Jews, Israel had been repeatedly pressured by its "friend" and strategic ally into compromises that subverted its national interest and even endangered its very existence.

II. 1948-1967

During the 1950s and 1960s, the USA was essentially pro-Arab. It attempted to secure the oil fields of the Middle East (in the Gulf, Iraq, and Iran) from Soviet encroachment by nurturing friendly relations with the region's authoritarian regimes and by fostering a military alliance with Turkey (later, a part of an extended NATO).

Remarkably, Israel was forced to rely on the USSR for arms (supplied via the Czech Republic) and, later, on France and Britain, who were desperately trying to hang on to the smoldering remnants of their colonial empires

Thus, in 1956, Israel (in collusion with France and Britain) attempted to prise open the critical recently-nationalized waterway, the Suez Canal, by invading the Sinai Peninsula, then, as now, a part of Egypt.

The USA coerced Israel into a humiliating public retreat and threatened the fledgling state with economic, military, and diplomatic sanctions if it did not comply with American demands without ado.

During the 1960s, even when America did (rarely) sell weapons systems to Israel, it made sure to make the same armaments available to Israel's avowed and vociferous enemies, Egypt

and Jordan. By 1967, the USA has granted the Hashemite Kingdom of Trans-Jordan far larger sums of military and foreign aid than it did its neighbor to the west, Israel.

President Johnson was a staunch supporter of Israel. Yet, in the run-up to the Six Days War, the Johnson Administration summoned Israeli politicians and military leaders to Washington and publicly chastised and berated them for refusing to succumb to American pressure and yield to Arab demands (which amounted essentially to the dismantling of the Jewish State by economic and diplomatic means). Secretary of State Dean Rusk went as far as blaming Israel for the war. A diplomatic solution, he insisted, was possible, had Israel shown more flexibility.

The deliberate or mistaken Israeli attack, during the conflict, on the USS Liberty, an American intelligence-gathering ship, moored in international waters, did not help bilateral relations any.

III. 1967-Present

Still, Israel's decisive victory over the combined forces of numerous Arab states, many of which bore Soviet arms, changed perceptions in Washington and among the Jews: here was a military democracy that could serve as a bulwark against Soviet expansion in the Middle East; a regional cop; a testing ground for new weapons; a living breathing demonstration of the superiority of American arms; an intelligence gathering "front office"; and a frontline base in case of dire need.

Israel's standing was thus transformed from an outcast to a major non-NATO ally overnight (a status officially granted it in 1987). Israel felt sufficiently secure in its newfound pivotal strategic role to reject a peace plan forwarded by then Secretary of State, Will Rogers in 1970.

Yet, even in the heyday of this "special relationship", Israel refrained from defying the USA and feared the repercussions of any disagreement, major or minor. This hesitancy and dread were not confined to the political echelons: the entire population were affected. People of all walks of life engaged in reading the tea leaves of "the mood in Washington" and what should Israel do to placate its fickle, thuggish, and overbearing "partner".

Thus, despite numerous warning signs that it is about to be attacked by superior Arab forces in 1973, the Israeli leadership gambled with the country's very existence and did not launch a pre-emptive strike, having been cautioned not to act by President Nixon and his Jewish Secretary of State, Henry Kissinger.

When Israel repelled and encircled the invading Egyptian Army, Kissinger called Israel's Ambassador in Washington, Simcha Dinitz and instructed him not to pursue a military victory. When Dinitz protested, Kissinger told him that disobeying the United States (and destroying the aggressor's remaining forces on the ground) was "an option that simply does not exist".

Kissinger then proceeded with shuttle diplomacy aimed at pressuring Israel into ceding most of the land it conquered in the last two wars in return for a mere ceasefire. Whenever Israel resisted any of his dictates, however inconsequential, Kissinger would publicly threaten Israel

with abandonment and even sanctions. This modus operandi continued throughout President Carter's years in office.

Even in the early Reagan years, Israel was berated and threatened on a regular basis, owing to its invasion of Lebanon and its rejection of yet another American-imposed "peace" plan in 1982 and in 1988. The Reagan Administration also openly consorted with the PLO, at the time still an unrepentant, anti-Jewish terrorist organization.

Yet, throughout these very public and advertent humiliations, the USA remained Israel's main backer. Friendship and bullying appeared to be two inalienable facets of the same coin of American-Israeli relations.

The two countries signed a Memorandum of Understanding in 1981; formed a Joint Military Political Group in 1983; conducted joint air and naval exercises in 1984; stockpiled American weapons and materiel on Israeli soil; and signed a free trade agreement in 1985. Israel has also been the recipient of 3 billion USD annually (until 2004, one third of all American foreign aid) since the early 1980s.

At the very same time, then Secretary of State, James Baker reprimanded Israel for its "expansionist" policies and his boss, President Bush (senior) insisted that east Jerusalem - the very soul and heart of the Jewish state - was an "occupied territory".

Blowing hot and cold on the "special" relationship strained them to the hilt. Disagreements and misunderstandings proliferated as the USA began to micromanage Israeli affairs, telling the country how to conduct its investigations into incidents and even how to hold elections (for the Palestinian delegation to a peace conference).

With the first Gulf War imminent in 1990, Bush affirmed the USA's commitment to Israel's existence and security. But, only a year later, when Iraq attacked Israel with Scud missiles and Israel heeded America's request not to retaliate did relations between the two asymmetric allies thaw. Israel was granted loans, albeit under the condition that it freezes all settlement activities in the West Bank.

Relations between Israel and the Administration of President Bush (the son) started off on the wrong foot, with recriminations and accusations, only to be rendered an intimate collaboration by the terrorist attacks of September 2001.

In the throes of an umpteenth honeymoon, Israel could do no wrong. But history taught us that such phases were invariably followed by discord. Indeed, under the Obama and Biden administrations, Prime Minister Netanyahu’s far-right governments pushed the relationship to the brink, especially in the wake of the October 7 Hamas terrorist attacks.

Israel has consistently jeopardized both its national security and its interests to placate American impetuous demands and to cater to its ally's geopolitical and global economic interests.

Two examples:

Thus, at America's vehement and minacious behest, Israel has ignored Syrian offers to negotiate a peace accord. Similarly, Israel has cancelled the sale or maintenance of

proprietary weapons systems to China, Venezuela and other countries the USA deemed "unfriendly".

When Israel dared to service and upgrade an unmanned aerial vehicle (UAV) it had previously sold to China, it was harshly penalized: joint development programs, shipments of military equipment, and regular communication between the departments of defense of the two allies were all suspended.

Acting as the latter-day equivalent of a colonial or imperial master, the USA demanded from Israel a detailed report about dozens of transactions with Mainland China; the right to supervise and inspect Israel's military equipment sales supervision system; and an effective veto power on all future arms sales.

In view of this deranged American lability, it is shocking that Israel has allowed itself to become dependent on American armaments and willingly shunned all other geopolitical alternatives, such as Russia and China.

Other allies of the USA – Saudi Arabia and Turkey, to mention but two - have been hedging their bets fervently. Israel's addiction to American lucre and weapons system may well prove to be its undoing and definitely constitutes an existential risk.

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Client and Satellite States

By: Sam Vaknin, Brussels Morning

The fraying relationships between Ukraine and Israel and their ostensible ally, he United States, brough to a sharp focus an age-old conundrum.

From time immemorial, small countries acted as clients and satellites of bigger ones. Regional and global superpowers insisted on establishing spheres of influence to protect their citizens and safeguard their interests. Even the nascent USA promulgated the Monroe Doctrine to make sure that Europe does not interfere in hemispheric affairs in the Americas.

Client states fulfill several important functions and render services to their hegemonic patrons:

1. They engage in proxy wars with proxies of other powers;

2. They serve as buffer zones for the hinterlands of the regional or superpowers;

3. They act as testing grounds for new weapon systems, tactics, and strategies;

4. They provide the colonial power, empire, or sponsor state with raw materials and cannon fodder (soldiers);

5. They carry out secret "dirty" operations - including in cyberspace - on behalf of the regional or superpower in order to afford the latter plausible deniability;

6. They gather intelligence and share it with the hegemonic state.

In return, the bigger members of these asymmetrical alliances guarantee the safety and territorial integrity of their client states, supply weapons and military training as well as economic loans, and share intelligence.

They also intervene diplomatically to shield their client states from the impacts of sanctions and other steps taken by their adversaries.

Small polities have always shopped around for protection. Egypt has pivoted from the USA to the USSR in the 1950s and back to the USA in the 1970s, for example. So did Israel, albeit in the opposite direction: from the Communist East to the capitalistic West.

In a multipolar world, the leverage and bargaining power of small countries are increasing. But so does the aggression of regional potentates. We are in for an unusually turbulent period in human history, as state actors are attempting to settle on a new, workable equilibrium.

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Embassies: NOT Sovereign Territory

By: Sam Vaknin, Brussels Morning

Israel bombed a structure that served the Iranian consulate in Damascus. Though not strictly within the compound of the Embassy, it was widely known as an outpost of Iranian diplomacy in Syria. Iran threatened to retaliate against an Israeli representation.

Ecuador's police stormed the Mexican Embassy in order to arrest a former vice-president accused of corruption who was granted asylum by Mexico only hours before.

The cherished – almost sacred – principle of the protection of diplomatic and consular premises and personnel seems to be going the way of the dodo. This impression has partly to do with the myths that surround diplomatic immunity and inviolability.

Articles 21-25 of the Vienna Convention on Diplomatic Relations (1961), state:

Article 21

1. The receiving State shall either facilitate the acquisition on its territory, in accordance with its laws, by the sending State of premises necessary for its mission or assist the latter in obtaining accommodation in some other way.
2. It shall also, where necessary, assist missions in obtaining suitable accommodation for their members.

Article 22

1. ***The premises of the mission shall be inviolable****. The agents of the receiving State may not enter them, except with the consent of the head of the mission.*
2. ***The receiving State is under a special duty to take all appropriate steps to protect the premises of the mission against any intrusion or damage and to prevent any disturbance of the peace of the mission or impairment of its dignity****.*
3. ***The premises of the mission****, their furnishings and other property thereon and the means of transport of the mission* ***shall be immune from search, requisition, attachment or execution****.*

Article 23

1. The sending State and the head of the mission shall be exempt from all national, regional or municipal dues and taxes in respect of the premises of the mission, whether owned or leased, other than such as represent payment for specific services rendered.
2. The exemption from taxation referred to in this article shall not apply to such dues and taxes payable under the law of the receiving State by persons contracting with the sending State or the head of the mission.

Article 24
The archives and documents of the mission shall be inviolable at any time and wherever they may be.

Article 25
The receiving State shall accord full facilities for the performance of the functions of the mission.

The language is clear: the Embassy is **not sovereign territory** and **not extraterritorial**. It just enjoys certain legal exemptions, that's all.

Are these concessions revocable if the Mission gets involved in espionage or criminal activities? Probably so. But granting political asylum to a refugee is not the same as harboring a fugitive from justice. Mexico is right to have severed its diplomatic relations with Ecuador.

What about holding meetings on the premises to discuss and plan future acts of terrorism? Here the legal picture gets murkier.

At issue is the right of self-defense of the violating country as well as the principle that spaces immune to military action such as hospitals and consulates lose their special protections when they are being abused by terrorists and criminals. In short: Israel may have had a right to blow up the building and the conspirators within it.

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The Shadowy World of International Finance

By: Sam Vaknin, Brussels Morning

Strange, penumbral, characters roam the boardrooms of banks the world over. Some of them pop apparently from nowhere, others are very well connected and equipped with the most excellent introductions. They all peddle financial transactions which are too good to be true and often are.

In the unctuously perfumed propinquity of their Mercedesed, Rolex waving entourage - the polydipsic natives dissolve in their irresistible charm and the temptations of the cash: mountainous returns on capital, effulgent profits, no collaterals, track record, or business plan required. Total security is cloyingly assured.

These Fausts roughly belong to four tribes:

The Shoppers

These are the shabby operators of the marginal shadows of the world of finance. They broker financial deals with meretricious sweat only to be rewarded their meagre, humiliated fees. Most of their deals do not materialize. The principle is very simple:

They approach a bank, a financial institution, or a borrower and say:

"We are connected to banks or financial institutions in the West. We can bring you money in the form of credits. But to do that - you must first express interest in getting this money. You must furnish us with a bank guarantee / promissory note / letter of intent that indicates that you desire the credit and that you are willing to provide a liquid financial instrument to back it up.".

Having obtained such instruments, the shoppers begin to "shop around". They approach banks and financial institutions (usually, in the West).

This time, they reverse their text:

"We have an excellent client, a good borrower. Are you willing to lend to it?"

An informal process of tendering ensues. Sometimes it ends in a transaction and the shopper collects a small commission (between one quarter of a percentage point and two percentage points - depending on the amount). Mostly it doesn't -and the Flying Dutchman resumes his wanderings looking for more venal gulosity and less legal probity.

The Con-Men

These are crooks who set up elaborate schemes ("sting operations") to extract money from unsuspecting people and financial institutions. They establish "front" or "phantom" firms and offices throughout the world. They tempt the gullible by offering them enormous, immediate, tax-free, effort-free, profits. They let the victims profit in the first round or two of the scam.

Then, they sting: the victims invest money and it evaporates together with the dishonest operators. The "offices" are deserted, the fake identities, the forged bank references, the falsified guarantees are all exposed (often with the help of an inside informant).

Probably the most famous and enduring scam is the "Nigerian-type Connection". Letters - allegedly composed by very influential and highly placed officials - are sent out to unsuspecting businessmen.

The latter are asked to make their bank accounts available to the former, who profess to need the third party bank accounts through which to funnel the sweet fruits of corruption.

The account owners are promised huge financial rewards if they collaborate and if they bear some minor-by-comparison upfront costs. The con-men pocket these "expenses" and vanish. Sometimes, they even empty the accounts of their entire balance as they evaporate.

The Launderers

A lot of cash goes undeclared to tax authorities in developing countries. The informal, grey economy (the daughter of both criminal and legitimate parents) comprises between 15% (Slovenia) and 50% (Russia) of the official one.

Some say these figures are a deliberate and ferocious understatement.

These are mind boggling amounts, which circulate between financial centres and offshore havens in the world: Cyprus, the Cayman Islands, Liechtenstein (Vaduz), Panama and dozens of other aspiring laundrettes.

The money thus smuggled is kept in low-yielding cash deposits. To escape the cruel fate of inflationary corrosion, it has to be reinvested. It is stealthily re-introduced to the very economy that it so sought to evade, in the form of investment capital or other financial assets (loans and credits).

Its anxious owners are preoccupied with legitimising their stillborn cash through the conduit of tax-fearing enterprises, or with lending it to same. The emphasis is on the word: "legitimate". The money surges in through mysterious and anonymous foreign corporations, via off-shore banking centres, even through respectable financial institutions.

It is easy to recognize a laundering operation. Its hallmark is a pronounced lack of selectivity. The money is invested in anything and everything, as long as it appears legitimate. Diversification is not sought by these nouveau tycoons and they have no core investment strategy.

They spread their illicit funds among dozens of disparate economic activities and show not the slightest interest in the putative yields on their investments, the maturity of their assets, the quality of their newly acquired businesses, their history, or real value. Never the sedulous, they pay exorbitantly for all manner of prestidigital endeavours. The future prospects and other normal investment criteria are beyond them. All they are after is a mirage of lapidarity.

The Investors

This is the most intriguing group. Normative, law abiding, businessmen, who stumbled across methods to secure excessive yields on their capital and are looking to borrow their way into increasing it.

By cleverly participating in bond tenders, by devising ingenious option strategies, or by arbitraging - yields of up to 300% can be collected in the immature emerging markets without the normally associated risks.

The members of this subspecies often buy sovereign bonds and notes at discounts of up to 80% of their face value. Russian obligations could be had for less in August 1998, Nigerian ones in the early 1980s, and Macedonian ones during the Kosovo crisis in 1999.

In cahoots with the issuing country's central bank, they then convert the obligations to local currency at par (for 100% of their face value). The difference makes, needless to add, for an immediate and hefty profit, yet it is in (often worthless and vicissitudinal) local currency. The latter is then hurriedly disposed of (at a discount) and sold to multinationals with operations in the country of issue, which are in need of local tender. This fast becomes an almost addictive avocation.

Intoxicated by this pecuniary nectar, the fortunate, those privy to the secret, try to raise more capital by hunting for financial instruments they can convert to cash in Western banks.

A bank guarantee, a promissory note, a confirmed letter of credit, a note or a bond guaranteed by the Central Bank - all will do as deposited collateral against which a credit line is established and cash is drawn. The cash is then invested in a new cycle of inebriation to yield fantastic profits.

It is easy to identify these "investors". They eagerly seek financial instruments from almost any local bank, no matter how suspect. They offer to pay for these coveted documents (bank guarantees, bankers' acceptances, letters of credit) either in cash or by lending to the bank's clients and this within a month or more from the date of their issuance. They agree to "cancel" the locally issued financial instruments by offering a "counter-financial-instrument" (safe keeping receipt, contra-guarantee, counter promissory note, etc.).

This "counter-instrument" is issued by the very Prime World or European Bank in which the locally issued financial instruments are deposited as collateral.

The Investors invariably confidently claim that the financial instrument issued by the local bank will never be presented or used (which is true) and that this is a risk free transaction (which is not entirely so).

If they are forced to lend to the bank's clients, they often ignore the quality of the credit takers, the yields, the maturities and other considerations which normally tend to interest lenders very much.

Whether a financial instrument cancelled by another is still valid, presentable and should be honoured by its issuer is still debated. In some cases it is clearly so. If something goes horribly (and rarely, admittedly) wrong with these transactions - the local bank stands to suffer, too.

It all boils down to a terrible hunger, the kind of thirst that can be quelled only by the denominated liquidity of lucre. In the post nuclear landscape of this part of the world, a fantasy is shared by both predators and prey.

Circling each other in marble temples, they switch their roles in dizzying progression. Tycoons and politicians, industrialists and bureaucrats all vie for the attention of Mammon.

The shifting coalitions of well-groomed men in back stabbed suits, an hallucinatory carousel of avarice and guile. But every circus folds and every luna park is destined to shut down. The dying music, the frozen accounts of the deceived, the bankrupt banks, the Jurassic Park of skeletal industrial beasts - a muted testimony to a wild age of mutual assured destruction and self-deceit.

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Return

Iran's Miscalculation, Israel's Opportunity

By: Sam Vaknin, Brussels Morning

Israel bombed a structure that served the Iranian consulate in Damascus. Though not strictly within the compound of the Embassy, it was widely known as an outpost of Iranian diplomacy in Syria.

The language of articles 21-25 of the Vienna Convention on Diplomatic Relations (1961) is clear: embassies and consulates are **not sovereign territory** and **not extraterritorial**. They just enjoy certain legal exemptions, that's all.

So, why did Iran choose to escalate and retaliate by attacking Israel with a barrage of 300 UAV (Unmanned Aerial Vehicles or drones) as well as cruise missiles and ballistic missiles?

Because of the growing threat to its out-of-control proxies everywhere: Hamas, the Houthis, and Hizballah, first and foremost. Iran needed to reassert its authority over these terrorist organizations by being seen to fearlessly conflict directly with the "Little Devil", Israel.

But the attack misfired in every conceivable way.

More than 97% of the weapons launched were intercepted long before they had reached the borders of Israel, exposing the inefficacy of drones and even missiles as decisive factors in modern warfare, set as they are against hi-tech defenses.

The onslaught on Israel diverted attention at least momentarily from the plight of the Palestinians in Gaza and the much heralded Israeli invasion of Rafah. It is a distractive window of opportunity that Israel might use to push on with its offensive.

The United States, France, the United Kingdom and even Jordan sided with Israel against Iran. It is a reminder that Suni countries are actually quite elated with the damage that Israel is inflicting on Shia Iran and its proxies, both Suni and Shia.

Countries like Saudi Arabia, Jordan, and Egypt regard Israel as a handy and welcome buffer against Iran's expansionist dreams and in the face of the Iran-sponsored death cults that cloak themselves in Muslim Brotherhood religious-political ideology.

Finally, Iran's buffoonish retribution is humiliating. It exposes the incompetence and corruption of the theocracy. Coupled with a tanking economy, it will lead to civil unrest within Iran and perhaps to the rise of a more reformist streak of political Islam.

All these positive outcomes depend on Israel's next move.

Biden's sage advice to Netanyahu was to "take the win" and gloat over Iran's debacle. But far-right forces within Israel have been spoiling for a regional war with the arch-enemy Iran for many years now. Netanyahu himself may provoke a regional kerfuffle in order to divert attention from his legal woes and force the USA to commit to his agenda.

Such a course of action would amount to an unmitigated disaster for the Jewish state.

Israel cannot defeat Iran, especially when it is already fighting a war on multiple other fronts. The USA will not be dragged into Israeli adventurism. It will rather abandon Israel to its fate. Should it choose to confront Iran now, Israel will have completed its transformation into the second North Korea, a pariah state.

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Personal Story with War Crimes in the Israeli Army

By: Sam Vaknin, Brussels Morning

The Biden administration is considering to impose sanctions on units in the IDF implicated in war crimes. This brough back long-repressed memories about my won experience.

In 1979, just shy of my 18th birthday, my exasperated parents delivered me to the Israeli Defense Force (IDF) and forgot all about me. A clerical blunder regarding my medical records led to 3 months of bootcamp infantry training in the then infamous Golani Brigade.

In 1979, with the first stirrings of the peace between Israel and Egypt, my battalion was sent to Halhul, a city north of Hebron, notorious for its anti-Israel sentiments and actions, including terrorism against civilians. We were meant to restore order in the wake of unrest owing to the imminent rapprochement with Israel's hitherto most substantial enemy.

The war crimes commenced almost instantly at the explicit behest of the highest echelons of the IDF who visited our unit frequently. My commanders ordered us to torture the men in the city, regardless of status or age. A lot of creativity and inventiveness went into these sessions.

Every evening, we would circulate in the city in couples, armed with M-16s, among the groves and narrow streets and pick up dozens of denizens. We would bring them to our headquarters – a house on a hill that we had appropriated – and then proceed into a nightlong of sometimes life-threatening and relentless abuse.

Miraculously, I found myself tethered to S.G., a high school classmate. Together, we devised a code and documented meticulously, in two pocket-sized notebooks, every act and proceeding of the systematic degradation and attempted murders of the terrified, yet defiant locals.

A month later, having witnessed the death of an elderly man who was coerced into consuming a gigantic can of jam, I deserted the unit and travelled to Tel-Aviv. It was a perilous trip, all on my own, in hostile and murderous territory, hitchhiking my way back to Israel. And there was the crime of desertion, of course. But I couldn't act otherwise.

I finally made it. 48 hours later, unkempt and unshaven, I reported to the "Green House", the seat of the IDF's military court in Jaffa.

I was immediately seen by a military prosecutor and spent an entire week being deposed and deciphering the two incriminating notebooks.

I was placed under the protection of the Military Police and accommodated in the barracks of a transportation base, there to await the trial.

Based on our testimonies – mine and S.G.'s – the bulk of our battalion have been detained. We had to testify against them in a closed court session, an experience as terrifying as hitchhiking through the West Bank. My life and the lives of my family members were threatened repeatedly.

Despite our clearcut eyewitness accounts, the perpetrators were sentenced to a mere 6 months in prison. I knew what awaited me when they would be freed, so I asked to be reassigned to the Air Force, where I spent the remainder of my military service as an instructor of math and physics to fledgling pilots.

Make what you will of this true story, which I have kept a secret to this very day. On the one hand, the unequivocal crimes, egged on by the top command at the time. On the other hand, the courage of two teenage soldiers who blew the whistle. On the third hand, the lenient sentence, a mere slap on the wrist, for dozens of offenses, up to and including murder. Not a black and white picture. Nothing in life really is.

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The War Criminal's Mind in a Just War

By: Sam Vaknin, Brussels Morning

There is no ethical consensus regarding what constitutes a Just War and the permissibility of civilian casualties. There are international conventions and courts coupled with domestic laws and army regulations.

But even international law accepts the ineluctability of total war and the blurred lines between civilians and combatants. There is an acceptable level of collateral damage (proportionality) and even protected structures, such as hospitals, schools, and embassies are fair game if they are being abused for military purposes by the parties to the conflict.

Sadistic, narcissistic psychopaths gravitate to war zones. Like Colonel Kurz in Apocalypse Now and Adolf Hitler during World War I, they experience battle as raw, pure, exuberant, exalting, an apotheosis (omnipotence), and a catharsis.

The conditions of the battleground foster bonding and intimacy among combatants, but also with the enemy. The lives of parties to a conflict are forever intertwined - which is survival-threatening. Such proximity and familiarity between foes breed reluctance and hesitation to fight.

The solution is to objectify and dehumanize the enemy, leveraging a panoply of primate defense mechanisms: splitting ("We are all good, our opponents all bad"), projection followed by reaction formation ("Our adversaries are everything we detest and loathe about ourselves and this is why we hate them and they deserve to die"), and attribution errors ("we choose to do good, they are essentially evil").

The conditions of warfare engender paranoid ideation and persecutory delusions. A sense of helplessness in the face of the lethal random and the deleterious unknown.

I an attempt to overcome these intolerable feelings, warriors self-empower and reassert control by abusing the other side. These misdeeds are justified as acts of necessary self-defense, attempt to guarantee the greater good, anxiolytic preemption of enemy operations, and affording resolution or closure for past atrocities: a sense of vengeance, retribution, and the settling of accounts). All this is coupled with surging self-righteousness, having attained the high moral ground.

But the overriding narrative within which war crimes are embedded and take place is that of a Just War.

In an age of terrorism, guerilla and total warfare the medieval doctrine of Just War needs to be re-defined. Moreover, issues of legitimacy, efficacy and morality should not be confused. Legitimacy is conferred by institutions. Not all morally justified wars are, therefore, automatically legitimate. Frequently the efficient execution of a battle plan involves immoral or even illegal acts.

As international law evolves beyond the ancient percepts of sovereignty, it should incorporate new thinking about pre-emptive strikes, human rights violations as casus belli and the role and standing of international organizations, insurgents and liberation movements.

Yet, inevitably, what constitutes "justice" depends heavily on the cultural and societal contexts, narratives, mores, and values of the disputants. Thus, one cannot answer the deceivingly simple question: "Is this war a just war?" - without first asking: "According to whom? In which context? By which criteria? Based on what values? In which period in history and where?"

Being members of Western Civilization, whether by choice or by default, our understanding of what constitutes a just war is crucially founded on our shifting perceptions of the West.

Enter the medieval doctrine of "Just War" (justum bellum, or, more precisely jus ad bellum), propounded by Saint Augustine of Hippo (fifth century AD), Saint Thomas Aquinas (1225-1274) in his "Summa Theologicae", Francisco de Vitoria (1548-1617), Francisco Suarez (1548-1617), Hugo Grotius (1583-1645) in his influential tome "Jure Belli ac Pacis" ("On Rights of War and Peace", 1625), Samuel Pufendorf (1632-1704), Christian Wolff (1679-1754), and Emerich de Vattel (1714-1767).

Modern thinkers include Michael Walzer in "Just and Unjust Wars" (1977), Barrie Paskins and Michael Dockrill in "The Ethics of War" (1979), Richard Norman in "Ethics, Killing, and War" (1995), Thomas Nagel in "War and Massacre", and Elizabeth Anscombe in "War and Murder".

According to the Catholic Church's rendition of this theory, set forth by Bishop Wilton D. Gregory of the United States Conference of Catholic Bishops in his Letter to President Bush on Iraq, dated September 13, 2002, going to war is justified if these conditions are met:

"The damage inflicted by the aggressor on the nation or community of nations [is] lasting, grave, and certain; all other means of putting an end to it must have been shown to be impractical or ineffective; there must be serious prospects of success; the use of arms must not produce evils and disorders graver than the evil to be eliminated."

A just war is, therefore, a last resort, all other peaceful conflict resolution options having been exhausted.

The Internet Encyclopedia of Philosophy sums up the doctrine thus:

"The principles of the justice of war are commonly held to be:

1. Having just cause (especially and, according to the United Nations Charter, exclusively, self-defense);
2. Being (formally) declared by a proper authority;
3. Possessing a right intention;
4. Having a reasonable chance of success;
5. The end being proportional to the means used."

Yet, the evolution of warfare - the invention of nuclear weapons, the propagation of total war, the ubiquity of guerrilla and national liberation movements, the emergence of global, border-

hopping terrorist organizations, of totalitarian regimes, and rogue or failed states - requires these principles to be modified by adding these tenets:

6. That the declaring authority is a lawfully and democratically elected government.
7. That the declaration of war reflects the popular will.
   (Extension of 3) The right intention is to act in just cause.
   (Extension of 4) ... or a reasonable chance of avoiding an annihilating defeat.
   (Extension of 5) That the outcomes of war are preferable to the outcomes of the preservation of peace.

Still, the doctrine of just war, conceived in Europe in eras past, is fraying at the edges. Rights and corresponding duties are ill-defined or mismatched. What is legal is not always moral and what is legitimate is not invariably legal. Political realism and quasi-religious idealism sit uncomfortably within the same conceptual framework. Norms are vague and debatable while customary law is only partially subsumed in the tradition (i.e., in treaties, conventions and other instruments, as well in the actual conduct of states).

The most contentious issue is, of course, what constitutes "just cause". Self-defense, in its narrowest sense (reaction to direct and overwhelming armed aggression), is a justified casus belli. But what about the use of force to (deontologically, consequentially, or ethically):

1. Prevent or ameliorate a slow-motion or permanent humanitarian crisis;
2. Preempt a clear and present danger of aggression ("anticipatory or preemptive self-defense" against what Grotius called "immediate danger");
3. Secure a safe environment for urgent and indispensable humanitarian relief operations;
4. Restore democracy in the attacked state ("regime change");
5. Restore public order in the attacked state;
6. Prevent human rights violations or crimes against humanity or violations of international law by the attacked state;
7. Keep the peace ("peacekeeping operations") and enforce compliance with international or bilateral treaties between the aggressor and the attacked state or the attacked state and a third party;
8. Suppress armed infiltration, indirect aggression, or civil strife aided and abetted by the attacked state;
9. Honor one's obligations to frameworks and treaties of collective self-defense;
10. Protect one's citizens or the citizens of a third party inside the attacked state;
11. Protect one's property or assets owned by a third party inside the attacked state;
12. Respond to an invitation by the authorities of the attacked state - and with their expressed consent - to militarily intervene within the territory of the attacked state;
13. React to offenses against the nation's honor or its economy.

Unless these issues are resolved and codified, the entire edifice of international law - and, more specifically, the law of war - is in danger of crumbling. The contemporary multilateral regime proved inadequate and unable to effectively tackle genocide (Rwanda, Bosnia), terror (in Africa, Central Asia, and the Middle East), weapons of mass destruction (Iraq, India, Israel, Pakistan, North Korea), and tyranny (in dozens of members of the United Nations).

This feebleness inevitably led to the resurgence of "might is right" unilateralism, as practiced, for instance, by the United States in places as diverse as Grenada and Iraq. This pernicious

and ominous phenomenon is coupled with contempt towards and suspicion of international organizations, treaties, institutions, undertakings, and the prevailing consensual order.

In a unipolar world, reliant on a single superpower for its security, the abrogation of the rules of the game could lead to chaotic and lethal anarchy with a multitude of "rebellions" against the emergent American Empire. International law - the formalism of "natural law" - is only one of many competing universalist and missionary value systems. Militant Islam is another. The West must adopt the former to counter the latter.

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Divestment: From South Africa to Israel?

By: Sam Vaknin, Brussels Morning

Students in dozens of campuses in the USA are calling on their universities and colleges to divest from Israel and from Israeli companies owing to the "genocide" it is allegedly perpetrating in Gaza.

It is not the first time that Israel is subjected to such censure.

The Arab League boycott of Israel forced many multinationals to divest (disinvest) from it over the first few decades of its existence.

According to the Encyclopedia Britannica, ***"in 2004 the General Assembly (governing body) of the Presbyterian Church (U.S.A.) approved selective divestment from corporations doing business with Israel out of objection to the country's perceived violation of the human rights of Palestinians. In 2014 the General Assembly voted in favour of divesting from three major U.S. corporations that conducted business in Israel."***

Countries such as South Africa, Myanmar (Burma), and Sudan have also felt the brunt of divestment. So did certain sectors, most notably the tobacco and fossil fuels industries.

But times are different now, two or three decades later. While there is an increased awareness of the social and ethical responsibility of businesses and institutions as well as a proliferation of ESG (Environmental, Social, and Governance) investment funds – several other transformations have rendered divestment practically impossible.

First: endowment managers have a fiduciary duty to maximize returns. They have no other obligation under the law. ROI trumps values, ethics, morality, and politics. It is a criminal offense to behave otherwise.

Second: most higher education endowments are invested in mutual funds, index funds, and other investment vehicles that make it impossible to opt out of specific securities on whatever grounds.

Third: there is no consensus on values. People are polarized and radicalized. Someone's beliefs and convictions are always offensive to others or at best, arguable and relative. To expect universities or corporations to serve as axiological arbiters is impractical.

Divestment is a potent form of geopolitical virtue signaling against pariah states. It has minimal economic effects. But, the mere demand to impose it on a rogue polity bears grave implications.

So, even if the students were to fail in their mission, the harm has been done to Israel's reputation, capacity to conduct business, to engage in academic and scientific exchanges, and to participate in international events and affairs.

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The Danse Macabre of Israel-Hamas Hostage Deal

By: Sam Vaknin, Brussels Morning

Rafah sits on the borders of both Israel and Egypt. It is the main traffic corridor for both humanitarian aid and military materiel for Hamas. About 50% of the fighting force of Hamas have relocated to Rafah. The city sits atop a hypercomplex network of tunnels of all kinds. Only a few days ago, Hamas launched a rocket attack from Rafah on Israeli armed forces who were guarding the truck terminal there.

Israel is committed to the unrealistic goal of eradicating Hamas and assassinating its top military leaders who are hiding in Rafah, surrounded by live hostages as human shields.

Israel is likely to take Rafah one neighborhood at a time, making it easier to move the civilian population out of harm's way. About 700,000 of the Palestinians currently in the city are refugees from north and central Gaza and Israel will probably allow them to return to what is left of their homes.

Even so, the logistical challenge of providing hundreds of thousands of civilians with protection, food, and shelter is unlikely to be tackled successfully. Many civilians are bound to end up as collateral damage.

But Israel is unlikely to pay heed to the exhortations of the EU, or even to the threats and pressures of the Biden administration, for two reasons:

First, Hamas have threatened to repeat the October 7 atrocities, slaughter, and rapes of Israeli civilians. Israel now regards Hamas and Iran as existential threats. The US and the EU have only fought distant enemies, they have never faced an existential threat. Israel is right to ignore them both.

The second reason is Netanyahu's political survival and his personal freedom (he faces severe criminal charges in multiple cases). Both depend on accomplishing the goals of the war or on dragging it out. Also, the longer the war, the more likely people are to recover from the traumatic shock of the Hamas massacres and vote for Netanyahu. He is now a hostage of Israel's far right political parties.

The United States, the Arab world, and the international community want to secure a permanent ceasefire, each for their own reasons. So do Hamas who wish to regroup, rearm, regain governance of Gaza, and live to attack Israel another time. Israel wants to continue the fighting, punctuated as it is by weeks of truce and swaps of Israeli hostages versus Palestinian prisoners.

These goals are incompatible and, therefore, even if such a truce is agreed on, it is very likely to be breached and lead to renewed fighting.

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Return

China-USA: Nuclear Balance of Power as Organizing Principle

By: Sam Vaknin, Brussels Morning

The late Henry Kissinger would have said that the age of idealistic Wilsonianism is over. America's values, norms, and mores are now in fierce competition with alternative value systems. Its misconduct in the past few decades and the decay of its democracy have robbed the USA of its moral authority.

In a multipolar world, we are back to the "balance of power" way of handling international affairs.

The limitations of the military-political might of any single polity are now painfully clear in multiple locations: the Middle East, Taiwan, and Ukraine, to name but a few.

In the wake of World War II, the overwhelming predominance of the USA in every realm of life, resulted in peace, however tense and precarious, throughout the globe.

In this coming post-American century, conflict is far more likely as coalitions form and re-assemble on the fly in order to counter threats and aggression and to prevent the ascendance of any single country.

Ironically, the only guarantor of world peace or at least of the containment of conventional warfare is nuclear proliferation. If all state actors of the world were to possess atomic weapons, fighting would be unlikely to escalate beyond certain limits.

Of course, proliferation poses the risk of non-state actors gaining access to these doomsday weapons and this should be the focus of international treaties coupled with vigorous and rigorous enforcement mechanisms.

A particular case in point is the declining superpower USA vs. the ascendant one, China.

In the 18th century, Europe's powers shifted their mercantilist and geopolitical attentions from the Americas to the Pacific, to the East. It is ironic that, 200 years or so later, it is the Americas (from the USA to Brazil) which is withdrawing from an anemic Europe to a resurging India, China, and Japan.

This tilt is not as new as it sounds. It started in the 1860s, when the USA overtook Great Britain as the largest economy on Earth. The first wave of globalization lasted till the Great War in 1914 and had swept the globe, encompassing a reluctant China and Japan.

It took two European (world) wars to disrupt the natural gravitation of the United States towards its largest trading partners and potential competitors in the Far East.

But history is now resuming its ineluctable course: the USA's manifest destiny lies between Melbourne and Beijing, not between Kyiv and London.

In the early years of the 21st century, European intellectuals yearned for the mutually exclusive: an America contained and a regime-changed Iraq. The Chinese are more pragmatic

- though, bound by what is left of their Marxism - they still ascribe American behavior to the irreconcilable contradictions inherent in capitalism.

The United States is impelled by its economy and values to world dominion, claimed in March 2003 an analysis titled "American Empire Steps Up Fourth Expansion" in the communist party's mouthpiece People's Daily. Expansionism is an "eternal theme" in American history and a "main line" running through its foreign policy.

The contemporary USA is actually a land-based empire, comprising the territorial fruits of previous armed conflicts with its neighbors and foes, often one and the same. The global spread of American influence through its culture, political alliances, science and multinationals is merely an extrapolation of a trend two centuries in the making.

How did an initially small country across a vast ocean succeed to thus transform itself?

The paper attributes America's success to its political stability, neglecting to mention its pluralism and multi-party system, the sources of said endurance.

But then, in an interesting departure from the official party line, it praises US "scientific and technological innovations and new achievements in economic development". Somewhat tautologically, it also credits America's status as an empire to its "external expansions".

The rest of the article is, alas, no better reasoned, nor better informed. American pilgrims were forced westward because "they found there was neither tile over their heads nor a speck of land under their feet (in the East Coast)". But the emphases are of interest, not the shoddy workmanship.

The article clearly identifies America's (capitalistic) economy and its (liberal, pluralistic, religious and democratic) values as its competitive mainstays and founts of strength. "US unique commercial expansion spirit (combined with the) the puritan's 'concept of mission' (are its fortes)", gushes the anonymous author.

The paper distinguishes four phases of distension: "First, continental expansion stage; second, overseas expansion stage; third, the stage of global contention for hegemony; and fourth, the stage of world domination." The second, third and fourth are mainly economic, cultural and military.

In an echo of defunct Soviet and Euro-left conspiracy theories, the paper insists that expansion was "triggered by commercial capital". This capital - better known in the West as the military-industrial complex - also determines US foreign policy. Thus, the American Empire is closer to the commercially driven British Empire than to the militarily propelled Roman one.

Actually, the author thinks aloud, isn't America's reign merely the successor of Britain's? Wasn't it John Locke, a British philosopher, who said that expansion - a "natural right" - responds to domestic needs? Wasn't it Benjamin Franklin who claimed that the United States must "constantly acquire new land to open up living space" (the forerunner of the infamous German "Lebensraum")?

The author quotes James Jerome Hill, the American railway magnet, as exclaiming, during the US-Spanish War, that "If you review the commercial history, you will discover anyone who controls oriental trade will get hold of global wealth". Thus, US expansion was concerned mainly with "protecting American commercial monopoly or advantageous position". America entered the first world war only when "its free trade position was challenged", opines the red-top.

American moral values are designed to "serve commercial capital". This blending of the spiritual with the pecuniary is very disorienting. "Even the Americans themselves find it hard to distinguish which matter is expanding national interests under the banner of 'enforcing justice on behalf of Heaven' and which is propagating their ideology and concept of value on the plea of national interests."

The paper mentions the conviction, held by most Americans, that their system and values are the "best things in human society". Moreover, Americans are missionaries with a "manifest destiny" and "the duty and obligation to help other countries and nations" and to serve as the "the beacon lighting up the way for the development of other countries and nations". If all else fails, it feels justified to "force its best things on other countries by the method of Crusades".

This is a patently non-Orthodox, non-Marxist interpretation of history and of the role of the United States - the prime specimen of capitalism - in it. Economy, admits the author, plays only one part in America's ascendance. Tribute must be given to its values as well. This view of the United States - at the height of an international crisis pitting China against it - is nothing if not revolutionary.

American history is re-cast as an inevitable progression of concentric circles. At first, the United States acted as a classic colonial power, vying for real estate first with Spain in Latin America and later with the Soviet Union all over the world. The Marshall Plan was a ploy to make Europe dependent on US largesse. The Old Continent, sneers the paper, is nothing more than "US little partner".

Now, with the demise of the USSR, bemoans the columnist, the United States exhibits "rising hegemonic airs" and does "whatever it pleased", concurrently twisting economic, cultural and military arms. Inevitably and especially after September 11, calls for an American "new empire" are on the rise. Iraq "was chosen as the first target for this new round of expansion".

But the expansionist drive has become self-defeating: "Only when the United States refrains from taking the road of pursuing global empire, can it avoid terrorists' bombs or other forms of attacks befalling on its own territory", concludes the opinion piece.

What is China up to? Were this - and similar - articles a signal encrypted in the best Cold War tradition?

Another commentary published a few days later may contain the public key. It is titled "The Paradox of American Power". The author quotes at length from "The Paradox of American Power - Why the World's Only Superpower Can't Go It Alone" written by Joseph Nye, the Dean of the John F. Kennedy School of Government at Harvard and a former Assistant Secretary of Defense:

"Hard power works through coercion, using military sticks and economic carrots to get others to do our will. Soft power works through attraction ... Our attractiveness rests on our culture, our political values and our policies by taking into account the interests of others."

As it summarizes Nye's teachings, the tone of the piece is avuncular and conciliatory, not enraged or patronizing:

"In today's world, the United States is no doubt in an advantageous position with its hard power. But ... power politics always invite resentment and the paradox of American power is that the stronger the nation grows, the weaker its influence becomes. As the saying goes, a danger to oneself results from an excess of power and an accumulation of misfortunes stems from lavish of praises and favors. He, whose power grows to such a swelling state that he strikes anybody he wants to and turns a deaf ear to others' advice, will unavoidably put himself in a straitened circumstance someday. When one indulges oneself in wars of aggression under the pretext of 'self-security' will possibly get, in return, more factors of insecurity ... Military forces cannot fundamentally solve problems and war benefits no one including the war starter."

Nor are these views the preserve of the arthritic upper echelons of the precariously balanced Chinese Communist party.

In the same month, in an interview he granted to Xinhua, the Chinese news agency, Shen Jiru, chief of the Division of International Strategy of the Institute of World Economics and Politics, Chinese Academy of Social Sciences, reiterated his conviction that "the United States aims to create a unipolar world through the Iraq issue".

Mirroring the People's Daily, he did not think that the looming Iraq war can be entirely explained as a "dispute on oil or economic interests". It was, he thought, about "the future model of international order: a multipolar and democratic one, or the US strategic goal of a unipolar world". China has been encouraged by dissent in the West. It shows that the "multipolar international community" is an "inevitable" momentum of history.

Why this sudden flurry of historiosophic ruminations?

According to Stratfor, the strategic forecasting consultancy, "for Beijing, the only way to stymie the fourth phase is through promoting multilateralism; barring that, China must be prepared to confront the United States in the future, and U.S. history can give some guidance ... Thus, Beijing continues to focus on the concept of multilateralism and the legitimacy of the United Nations as the best ways to slow or even disrupt U.S. expansionism. At the same time, Beijing is preparing to face a future confrontation with the United States if necessary."

When its economy matures, China wants to become another United States. It has started emulating America two decades ago - and never ceased. Recent steps include painful privatization, restructuring of the banking system, clamping down on corruption and bad governance, paring down the central bureaucracy, revamping the military and security apparatus and creating mechanisms for smooth political transitions.

China sent a man to the moon. It invests heavily in basic science and research and development. It is moving gradually up the manufacturing food chain to higher value added

industries. It is the quintessential leapfrogger, much of its cadre moving straight from the rustic to the plastic - computers, cellular phones, wireless and the like.

Ironically, it could never have made it even this far without its ostensible foe. Thousands of bright Chinese students train in the United States. American technologies, management, knowledge, capital and marketing permeate Beijing's economic fabric. Bilateral trade is flourishing. China enjoys the biggest share of the world's - in large part American - foreign direct investment flows. Should the United States disintegrate tomorrow - China would assuredly follow.

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Hamas Won This War Decisively

By: Sam Vaknin, Brussels Morning

Hamas has decisively and unambiguously won the Iron Swords or al-Aqsa Flood war (the epithet depends on whose side you are).

1. It killed well over 2000 Israelis (of a population of 10 million), about half of them soldiers.

2. It stopped dead in its tracks emigration to Israel (Aliyah) and encouraged immigration by those who can from Israel, amounting to a debilitating brain drain. Close to 100,000 Israelis are internally displaced in both the north and the south of the country, under attack from Hizbullah and from Hamas and PIJ, respectively.

3. It halted foreign direct investments in Israel (especially in the burgeoning hi-tech sector).

4. It decimated the Israeli economy, plunging it into a massive contraction as defense-related spending climbs past the 5% of GDP mark. Israel's credit rating has already been downgraded and more is to come. The costs of the war hitherto are in the billions, with almost a billion USD spent in a single night to fend off an Iranian aerial attack with drones, cruise and ballistic missiles.

5. The issue of Palestine and the Palestinians has now become by far the most pressing item on the geopolitical agenda. A Palestinian State is just a question of time. It could serve as a launchpad for attacks on Israel which would ultimately lead to its demise as the sole Jewish state.

6. The war and Hamas conclusively turned ill-informed, Jew-hating, and virtue signaling public opinion against Israel and the Jews on both the woke left and the alt right, but also among the denizens of the mainstream. Governed by a far-right, intransigent and dumb political leadership, Israel's blatant war crimes in the Gaza campaign have rendered it an overnight a pariah state whose image in the West and even in the USA is far worse than China's, North Korea's, and Russia's.

7. The conduct of the war drove a wedge between Israel and its only ally, the mission critical USA. Consequently, Israelis have begun to seriously contemplate the end of Israel as a reality.

8. The prolonged operation in Gaza exposed Israel's army and much hyped military prowess as propaganda paper tigers. Over the past few decades, the IDF has become a glorified militia with an Air Force. The younger generations are hedonistic and not keen on sacrifice. Budgets have been cut to the quick. Seven months in, the war is at a stalemate, with crucial capabilities of Hamas still intact and half the hostages either dead or in captivity.

9. Israel's internal cohesion has crumbled: no solidarity and no consensus are anywhere to be found. The glue that held the improbable concoction that is the State of Israel has all but evaporated, exposing the irreconcilable fault lines in Israeli society.

10. Israel and its leaders have ended up in the dock in multiple international courts, accused of a variety of crimes against humanity and war crimes.

Even Hamas could not have hoped for a better outcome of its incursion into Israeli territory on October 7, 2023.

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The Growing Unease with New Technologies

By: Sam Vaknin, Brussels Morning

Mankind have always alternated between teamwork and the individual genius. It would behoove us to focus on the raw materials (inputs) and the outputs of innovation rather than on who and how we bring it about.

We are transitioning from the age of monetized attention to the age of reality engineering.

Cities amounted to the first make-belief, virtual reality. Urbanization and population growth led to the rise of the creative genius (auteur), and the emergence of the concept of the original (due to the need to be seen and noticed in the multitude).

Intellectual property followed 300 years ago when mechanical reproduction blurred the line between original and copy and dramatically reduced the marginal cost of copies.

The Work of Art in the Age of Mechanical Reproduction" (1935), by Walter Benjamin, is an essay of cultural criticism which proposes and explains that mechanical reproduction devalues the aura (uniqueness) of an objet d'art.

Since then, identity has become a big business: patents, copyrights, brands, and blockchain NFTs. Distributed ledgers as well as centralised records vouch for one's identity and guarantee it.

The nonrivalrous zero marginal cost of digital goods has shifted the focus from manufacturing of tangibles to the manipulation of abstract symbols, the commodification of attention, and the emerging conundrum of discoverability.

Both individual creators and commercial enterprises reacted by interpellating potential consumers via propaganda and targeted advertising and by turning a profit via the aggregation of big data (targeting the demographics of attention).

These trends engendered self-sufficient disintermediated atomization - attention has been diverted to asocial online pursuits - and yielded an impaired reality testing (fantasy paracosms, virtual and augmented reality, and, soon, the metaverse).

The next frontiers are reality-like (pseudoreal) "real estate" and commodified but idiosyncratic menu-driven reality (the aforementioned metaverse).

Collaborative virtual realities will supplant physical ones and reality substitutes (sex dolls, intimacy apps) will proliferate. Tech behemoths, such as Facebook, Google, Apple, and Amazon will try to control the way we perceive reality and the immersive universes that we inhabit.

IRL AI will displace people as friends, advisors, interlocutors, lovers, and service providers. Users will construct online simulations and inhabit them. But this turn of events will also

force the introduction of mandatory digital identities, hopefully based on blockchain rather than government regulation.

Truly innovative inventions profoundly change the way we live, communicate, work, make love, and interact. By this standard, neither the automobile nor the smartphone are veritable innovations: the former is a mere mechanized horse and the latter a derivative of the phone. But Bell's telephone and the telegraph are examples of paradigm-shifting, reality-altering inventions.

Most groundbreaking inventions generate their own markets, fostering needs in consumers that they were unaware of. They also recombine the familiar (e.g., previous technologies) in ways that produce alien, unprecedented, and strange products or services. Finally, true inventions become indispensable in short order: it is hard to imagine a life without them and we pity our predecessors for having been deprived of their existence.

Schumpeter seemed to have captured the unsettling nature of innovation: unpredictable, unknown, unruly, troublesome, and ominous. Innovation often changes the inner dynamics of organizations and their internal power structure. It poses new demands on scarce resources. It provokes resistance and unrest. If mismanaged - it can spell doom rather than boom.

Yet, the truth is that no one knows why people innovate. The process of innovation has never been studied thoroughly - nor are the effects of innovation fully understood ever since the greatest invention of them all: the harnessing of fire, the ability to reignite it at will or maybe when a man (or a woman) picked up a stone and threw it at a scavenger.

The typical inventor is solutions-oriented. S/he perceives a lack, deficiency, or lacuna and sets out to remedy it. Inventors are also possessed of a synoptic-panoramic view, able to discern the connective tissue that binds apparently disparate phenomena. Finally, a true inventor is able to transition seamlessly from the theoretical to practical, from the drawing board to testing, and thence to prototype.

Creative people are feared and hated, ostracized and punished, unless they are willing to clown themselves or dumb down and conform to the biases, prejudices, and errors of the masses.

High IQ does not translate into success in the absence of perseverance, agreeableness, industriousness, stability (self-regulation), humility, a capacity for teamwork (minimal empathy and respect for others), robust mental health, a social support network, and luck. Many geniuses are homeless or incarcerated and all but forgotten.

The reality testing of inventors is impaired: they perceive the world differently (possibly a sign of autism). Coupled with recklessness, a sense of fearless godlike immunity, it leads to exploratory behavior.

Originality, novelty, difference: synoptic connectivity appears schizotypal or even psychotic (Schizotypy). Eysenck linked psychoticism to creativity. Indeed, the creative burst is often disorganized initially (inspiration, intuition, dreams). Attention multitasking generates unexpected insights and synergies.

Impatience, grandiosity or contempt and condescension charcaterize inventors: convinced of their superiority, they tend to block out “noise” and ignore criticism. Lability and dysregulation are sources of inspiration. Proclivity for change, thrill-seeking, and risky conduct result in innovation.

These are the reasons that most innovators endure inordinate hardships in life, their resilience and perseverance tested to the breaking point.

We tend to mythologize the process of invention, to render it mystical and uniquely human. The truth is that it is an emergent artefact (epiphenomenon), the ineluctable outcome of complexity.

At this stage, we are feeding computer models with humungous reams of raw data in the hope that irreducible interactions between the umpteen pieces of information will yield innovative insights and discoveries.

The next phase will involve fine-tuning the inputs so as to allow artificial intelligence to work on its own and to seek data as well as outputs autonomously. At that stage, we would still be able to define the research agenda, but not for long.

In due time, we will be rendered obsolete. We would still maintain a parasitic, atomized, technologically self-sufficient kind of existence for a while, but then, like everything superfluous in Nature, we will wane and fade away. Hence my prediction of a Luddite counter-revolution which would seek to physically demolish or ban certain technologies, maybe justly so.

The overwhelming vast majority of people are incapable of making use of the full set of features made available even by current technologies, let alone of innovating. I foresee “innovation engineers” whose job would be to cajole artificial intelligence codes and models into new discoveries. But innovation would become the domain of machines, not humans.

I would be surprised if this would take longer than 50 years. With the exception of physical jobs like plumbing, AI would be perfectly capable of replacing and displacing us and doing a better job of it.

Technology fostered the delusion that every problem has a solution and the hubris that attends upon proving this contention somewhat true. We have learned to internalize technologies and render them our extensions, driving us deeper into fantastic paracosms, replete with populations of internal objects that represent cohorts of external devices and systems. We became dependent on technology and this dependency emerged as our default mode, leading us to prefer machines to other humans.

The “geniuses” who have created this new epoch are not representative of humanity, not even remotely. They are a self-selecting sample of schizoid, mostly white, mostly men. Crucial aspects of technology reflect the specific mental health pathologies, idiosyncrasies, and eccentricities, of engineers, coders, and entrepreneurs – rather than any aspect or dimension of being human.

Still, some human activities and sectors will change only superficially.

War, for instance, is increasingly more democratized (terrorism and asymmetrical warfare, anyone?). It is also more remote controlled. But its main aim is still to kill people, combatants and civilians alike. Machines will never merely fight only other contraptions. War will never be reduced to a mechanized version of chess. Men, women, and children will always die in battle as conflict becomes ever more total. The repossession of resources requires the unmitigated annihilation of their erstwhile owners.

Wisdom, therefore, is in the eye of the beholder. There is no difference in the efficacy of deploying technologies between various societal organizational forms. All governments and collectives - autocratic, democratic, and theocratic, even ochlocratic or anarchic – leverage technology to secure and protect the regime and to buttress the narratives that motivate people to fight, work, consume, and mate.

Our ultimate symbiotic merger with machines will transpire sooner than we think. But there will always be a Resistance: a substantial portion of the population who will remain averse to cyborg integration and as the Luddites of yesteryear will seek to forbid such chimeras and destroy them.

In some rudimentary ways, we are already integrated with machines. Can you imagine your life without your devices?

Human brains are ill-equipped to tell the difference between reality and mimicry, simulation, or fantasy. Technologies are the reifications of the latter at the expense of the former.

One of the crucial aspects of the putative "Self" or "Ego' is reality testing. As the boundaries blur, so will our selves. We are likely to acquire a hive mind, melded with all the technologies that surround us, seamlessly slipping in and out of dream states and metaverses. The "Self' will become the functional equivalent of our attire: changeable, disposable, replaceable.

As it is, I am an opponent of the counterfactual idea of the existence of some kernel, immutable core identity, self, or ego – see this video about IPAM, my Intrapsychic Activation Model.

There have always been technologies for the masses as well as for niche users. Where we broke off with the past is in multitasking, the simultaneous suboptimal use of multiple devices.

As they get more integrated by the day, the point is to empower, enhance, and expand both symbiotic partners: humans and machines alike. It is a virtuous cycle which will lead to functional specialization with both parties focused on what they do best.

Still, if humans fail to bake Asimov-like rules into their automata, the potential for conflict is there, as artificial intelligence become smore sentient and intelligent and prone to passing the Turing Test with flying colors. In short: indistinguishable from us, except with regards to its considerably more potent processing prowess.

Popular culture reflected this uncanny valley: the growing unease with android robots, first postulated by Masahiro Mori, the Japanese roboticist, in 1970.

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Israel: Jewish Ghetto in a Roiled World

By: Sam Vaknin, Brussels Morning

The southern and northern parts of Israel have been rendered as uninhabitable as Chernobyl. The Jewish state has been reduced to a ghetto on the Mediterranean coast and in and around west Jerusalem.

Both Hizbullah and Hamas are largely intact, though bruised. There is no need for a repeat of October 7. A few cross-border raids or rockets would do the trick and maintain the Israeli borderlands Judenrein.

Israel has always been an impossible proposition: an island of non-indigenous Jews ("settler colonialists") in a sea of angry and resentful largely native Arabs.

The only thing that stood between the Zionist enterprise and extinction was its deterrence. On October 7 and even moreso with Iran's brazen attack, Israel lost its mythical aura. The war in Gaza exposed it and its military as the paper tigers that they are.

Moreover: Israel is now as much of a pariah state as North Korea. No Arab - or any other - country will normalize relations with a country labeled "genocidal" and whose leaders face prosecution in the ICC.

Everyone knows that the two-state solution is an interim step towards a one state solution with a Palestinian majority.

Western and international leaders advocate it because, rightly or wrongly, they have come to regard Israel as an illegitimate usurper of Arab lands and an egregious repeat aggressor.

Israel is no longer just a guilt-tripping victimhood-based nuisance - but a global threat. There are simply too many Arabs and Muslims and too few Jews to justify recurrent massive disruptions to global trade and world order.

Israel's days are numbered. Educated, skilled Israelis have been voting with their feet in the mother of all brain drains.

The population of the Jewish state is now comprised - with few notable exceptions - of low-quality leftovers, the remainders of the erstwhile thriving experiment in statehood.

The country's institutions - from its government to its judiciary to its militia-like military - reflect this inexorable decline in social capital.

Worse yet: looming domestic and international crises are likely to consume the resources and attention of a depleted West.

In an act of mind-boggling brinkmanship, Ukraine has just been granted permission by the UK, Germany, and the USA to use their weapons on targets inside Russian territory. This is one step removed from a declaration of war.

Russia and its allies (including China) will not let this precedent stand. They will not take it lying down. A global conflagration is just a matter of time.

Closer to home, the USA in on a path to its second civil war (as I have been warning for almost 2 decades). If Trump were to win the elections, he will establish a dynastic dictatorship and face fierce, armed resistance. If he were to lose at the ballot box, he will re-embark on a "Steal the Vote" campaign and this time replete with overt violence and a countrywide insurrection.

Against this background of anarchic tumult and self-preoccupation with existential threats, Israel's predicament is likely to be treated as mere background noise most easily resolved by dismantling the Jewish failed attempt at self-determination.

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SCOTUS vs. USA: Unravelling the Union

By: Sam Vaknin, Brussels Morning

Public trust in the Supreme Court of the USA is at an all-time low and for good reason: corrupt and partisan judges have been rendering inexplicable decisions, demolishing decades of precedent, and legitimizing manifestly criminal misconduct.

Partisanship became rampant and unabashed: almost all the decisions were authored and promulgated by the Conservative, largely Trump-appointed majority with the Liberals in the Court dissenting haplessly time and again.

Here is a random tour of the wrecking ball tactics of the Court:

In **Snyder vs. United States**, the court ruled that "gratuities" paid or given to public officials by interested parties are legal. From now on, companies and individuals can openly bribe decision-makers provided the bribes are dispensed after the fact (in the wake of the favorable auction, procurement, ruling, or legislation).

Indeed, some of the high court Justices have been receiving such lavish emoluments from multi-billionaires for years on end and neglecting to report them.

The court reversed the precedent it set in **Chevron vs. Natural Resources Defense Council**. In **Relentless vs. Department of Commerce** and in **Loper Bright Enterprises vs. Raimondo**, the court ruled that judges (presumably, only Conservative ones) are better qualified than government agencies to render decisions even on highly complex and intricate professional and scientific issues.

Ironically, rejecting such an extreme form of judicial activism has been a rallying cry for the Conservative movement for decades now. But, it seems, that now, with a Conservative majority in the Court, it is back in favor.

This single decision against the "Administrative State" (the legalese equivalent of the conspiratorial "Deep State") undermines well over 17,000 regulations in all fields of life, from food safety and public health to environmental protection. A protracted period of litigious chaos is bound to ensue, not to mention growing dangers to consumers and plain folk, not the darlings of Conservatives, admittedly.

In **Fischer vs. the United States**, the Court ruled counterfactually that the rioters who attacked the Capitol on January 6 were not engaged in an obstruction to an official proceeding (the counting of the electors in the Congress). It has thus undermined the case against 400 of them, possibly including Donald Trump himself.

The Court has also not rejected out of hand the surrealistic claim that Presidents are immune to criminal prosecution, never mind what heinous act they have committed, murder included. Incredibly, it is debating the issue.

This is a smattering of recent destabilizing and outlandish decisions, three of dozens (including the overturning of Roe vs. Wade). Should the USA devolve into civil war, as I have been predicting for decades now, the Supreme Court of the land will have a lot to answer for.

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Judges, Prosecutors Terrified of Vengeful Dictator Trump

By: Sam Vaknin, Brussels Morning

Why would the Conservative justices of the Supreme Court who have spent lifetimes arguing for originalism and textualism suddenly revert to the most extreme form of judicial activism ever witnessed in US history? Why would they ignore the Constitution and trash all precedents? Why would they place the President of the USA (really, former POTUS, Trump) above the law?

Why would other judges indefinitely delay criminal cases against Donald Trump, or suddenly postpone his sentencing following his conviction by a jury of his peers, with the full consent of the prosecution?

I want to propose an outrageous etiology: fear. They are all terrified of Donald Trump who promised to seek revenge once elected to the highest office in the land.

In the wake of Trump's debate with the sitting President, Biden, everyone is coming to grips with the realization of a second Trump presidency and the ineluctable transition to a dictatorship, possibly a dynastic one.

The 2024 presidential elections in the USA are going to be the last free and fair ones. Even if Trump were to lose the popular vote (the way he did to Hillary Clinton), his armed militias will take to the streets and to the Congress and this time, the insurrectionists will make sure they successfully "obstruct official proceedings". Blood will be spilled.

Never mind who wins the elections, Trump would end up in the White House. There is no force left that can or dares oppose him.

About half the electorate – the Republicans - do not regard such an outcome with dread. They perceive democracy as a ruse of the progressive-liberal coastal elites and the Democratic Party as a bunch of authoritarian, godless traitors.

The gulf between the two camps is unbridgeable as they fiercely and violently differ on all issues, from family values to immigration and from the role of the Federal Government to America's place in a globalizing world.

A one-party alternative – with the Democrats gone and their leaders incarcerated - seems very appealing now. Hence the ubiquitous popularity of the likes of Orban, Netanyahu, and Putin, role models among the rank and file as well as the leadership of the GOP.

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The 2nd American Revolution

By: Sam Vaknin, Brussels Morning

The USA is declining and decomposing and the Republican party have zoomed in on the sole agents and catalysts of these alarming processes: the Democrats and their democracy. The GOP also brandish a prescription for healing: the 2nd American Revolution.

The Republicans – a party dedicated to the interests of the rich and mighty – claim counterfactually (aka lie) that they are on the side of the Common Man who has been callously betrayed by the elites, especially by the bicoastal progressive-liberal intellectuals. Democracy is, therefore, a ruse and benefits only corrupt politicians in the swamp.

Even worse: the Democrats and their allied eggheads are hellbent on imposing values that are anti-American and on coercing the populace to conform by suborning and weaponizing the institutions of the state.

The problem is, sigh the exasperated Conservatives, that the godless Democrats are bad faith Americans: they loathe, hate, and detest the USA. In short: they are traitors. They are also opportunistic and, therefore, amoral, immoral, antisocial, and criminal, insist the Republicans.

It is a curious inversion. The GOP have appropriated the traditional playbook of the Democratic Party: championing the Average Joe and the rights and interests of minorities, not least by way of trade protectionism.

The gulf is unbridgeable and the parties are irreconcilable. The national consensus has all but disintegrated, carrying with it any solidarity left. The areas of contention are vast: from family values to immigration and from the role of the Federal government to the place of the USA in a globalized, multipolar world.

The truth is that the Republicans welcome authoritarianism as a way out of the quagmire: a one-party system, the leadership of the Democratic Party incarcerated, and docile, subservient institutions at the disposable of the Fuhrer. The role models are such paragons of good governance and patriotism as Putin, Orban, and Netanyahu, not to mention Hitler.

The 2nd American Revolution and MAGA are reminiscent of other transitions from democracy to autocracy in history: from the Weimar Republic to Nazism and when Republican Rome became imperial, for instance.

Universal franchise is, indeed, a flawed idea because it invariably gives rise to demagogues and tyrants in semi-structured ochlocracies (mob-rule). But the alternative is no better, especially when the would-be dictator is someone like Donald Trump.

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Uvalde, Be'eri: Work Ethic is Dead

By: Sam Vaknin, Brussels Morning

On May 24, 2022, law enforcement officers amassed outside the Roob Elementary School as a gunman mowed down 19 kids and 2 teachers. They refused to confront him, fearing for their safety.

On October 7, 2023, more than 700 soldiers and commandos gathered at the entrance to kibbutz Be'eri and refused to confront Hamas terrorists rampaging through the community as they slaughtered more than 110 civilians. At least 5 policemen simply drove away, never to be seen again.

"When work is a pleasure, life is a joy! When work is a duty, life is slavery." Maxim Gorky (1868-1936), Russian novelist, author, and playright

Airplanes, missiles, and space shuttles crash due to lack of maintenance, absent-mindedness, and pure ignorance. Software support personnel, aided and abetted by Customer Relationship Management application suites, are curt (when reachable) and unhelpful.

Despite expensive, state of the art supply chain management systems, retailers, suppliers, and manufacturers habitually run out of stocks of finished and semi-finished products and raw materials. People from all walks of life and at all levels of the corporate ladder skirt their responsibilities and neglect their duties.

Whatever happened to the work ethic? Where is the pride in the immaculate quality of one's labor and produce? The moral obligation to perform regardless of persona cost, to sacrifice one's life, if need be?

Both dead in the water. A series of earth-shattering social, economic, and technological trends converged to render their jobs loathsome to many - a tedious nuisance best avoided.

1. ***Job security*** is a thing of the past. Itinerancy in various McJobs reduces the incentive to invest time, effort, and resources into a position that may not be yours next week. Brutal layoffs and downsizing traumatized the workforce and produced in the typical workplace a culture of obsequiousness, blind obeisance, the suppression of independent thought and speech, and avoidance of initiative and innovation. Many offices and shop floors now resemble prisons.

2. ***Outsourcing and offshoring*** of back office (and, more recently, customer relations and research and development) functions sharply and adversely effected the quality of services from helpdesks to airline ticketing and from insurance claims processing to remote maintenance. Cultural mismatches between the (typically Western) client base and the offshore service department (usually in a developing country where labor is cheap and plenty) only exacerbated the breakdown of trust between customer and provider or supplier.

3. The populace in developed countries are addicted to ***leisure time***. Most people regard their jobs as a necessary evil, best avoided whenever possible. Hence phenomena like the permanent temp - employees who prefer a succession of temporary assignments to holding a

proper job. The media and the arts contribute to this perception of work as a drag - or a potentially dangerous addiction (when they portray raging and abusive workaholics).

4. The other side of this dismal coin is ***workaholism*** - the addiction to work. Far from valuing it, these addicts resent their dependence. The job performance of the typical workaholic leaves a lot to be desired. Workaholics are fatigued, suffer from ancillary addictions, and short attention spans. They frequently abuse substances, are narcissistic and destructively competitive (being driven, they are incapable of team work).

5. The ***depersonalization of manufacturing*** - the intermediated divorce between the artisan/worker and his client - contributed a lot to the indifference and alienation of the common industrial worker, the veritable "anonymous cog in the machine".

Not only was the link between worker and product broken - but the bond between artisan and client was severed as well. Few employees know their customers or patrons first hand. It is hard to empathize with and care about a statistic, a buyer whom you have never met and never likely to encounter. It is easy in such circumstances to feel immune to the consequences of one's negligence and apathy at work. It is impossible to be proud of what you do and to be committed to your work - if you never set eyes on either the final product or the customer! Charlie Chaplin's masterpiece, "Modern Times" captured this estrangement brilliantly.

6. Many former employees of mega-corporations abandon the rat race and establish their own businesses - ***small and home enterprises***. Undercapitalized, understaffed, and outperformed by the competition, these fledging and amateurish outfits usually spew out shoddy products and lamentable services - only to expire within the first year of business.

7. Despite decades of advanced notice, ***globalization*** caught most firms the world over by utter surprise. Ill-prepared and fearful of the onslaught of foreign competition, companies big and small grapple with logistical nightmares, supply chain calamities, culture shocks and conflicts, and rapacious competitors. Mere survival (and opportunistic managerial plunder) replaced client satisfaction as the prime value.

8. The decline of the ***professional guilds*** on the one hand and the trade unions on the other hand greatly reduced worker self-discipline, pride, and peer-regulated quality control. Quality is monitored by third parties or compromised by being subjected to Procrustean financial constraints and concerns.

The investigation of malpractice and its punishment are now at the hand of vast and ill-informed bureaucracies, either corporate or governmental. Once malpractice is exposed and admitted to, the availability of malpractice insurance renders most sanctions unnecessary or toothless. Corporations prefer to bury mishaps and malfeasance rather than cope with and rectify them.

9. The quality of one's work, and of services and products one consumed, used to be guaranteed. One's personal idiosyncrasies, eccentricities, and problems were left at home. Work was sacred and one's sense of self-worth depended on the satisfaction of one's clients. You simply didn't let your personal life affect the standards of your output.

This strict and useful separation vanished with the rise of the malignant-narcissistic variant of ***individualism***. It led to the emergence of idiosyncratic and fragmented standards of

quality. No one knows what to expect, when, and from whom. Transacting business has become a form of psychological warfare. The customer has to rely on the goodwill of suppliers, manufacturers, and service providers - and often finds himself at their whim and mercy. "The client is always right" has gone the way of the dodo. "It's my (the supplier's or provider's) way or the highway" rules supreme.

This uncertainty is further exacerbated by the pandemic eruption of mental health disorders - 15% of the population are severely pathologized according to the latest studies. Antisocial behaviors - from outright crime to pernicious passive-aggressive sabotage - once rare in the workplace, are now abundant.

The ethos of teamwork, tempered collectivism, and collaboration for the greater good is now derided or decried. Conflict on all levels has replaced negotiated compromise and has become the prevailing narrative. Litigiousness, vigilante justice, use of force, and "getting away with it" are now extolled. Yet, conflicts lead to the misallocation of economic resources. They are non-productive and not conducive to sustaining good relations between producer or provider and consumer.

10. ***Moral relativism*** is the mirror image of rampant individualism. Social cohesion and discipline diminished, ideologies and religions crumbled, and anomic states substituted for societal order. The implicit contracts between manufacturer or service provider and customer and between employee and employer were shredded and replaced with ad-hoc negotiated operational checklists. Social decoherence is further enhanced by the anonymization and depersonalization of the modern chain of production (see point 5 above).

Nowadays, people facilely and callously abrogate their responsibilities towards their families, communities, and nations. The mushrooming rate of divorce, the decline in personal thrift, the skyrocketing number of personal bankruptcies, and the ubiquity of venality and corruption both corporate and political are examples of such dissipation. No one seems to care about anything. Why should the client or employer expect a different treatment?

As Weber observed largely correctly, the Protestant work ethic underlies the rise of modern capitalism. Calvinism regarded work as a form of worship and success as proof of divine approval. Protestants of all creeds valued time - God's-given gift - and sought to maximize its benefits.

But the Puritan and Non-conformist empathic values of a Commonwealth wherein everyone is equal before God and therefore deserves to be treated well and with respect were abandoned along the way. Even the infusion of Jewish values - charity, community, industriousness, the idea of progress and self-betterment, learning, and pragmatism - in the late 19th century failed to stop the erosion in communality and the rise of malignant, short-sighted narcissism, the anathema of the work ethic.

11. The ***disintegration of the educational systems*** of the West made it difficult for employers to find qualified and motivated personnel. Courtesy, competence, ambition, personal responsibility, the ability to see the bigger picture (synoptic view), interpersonal aptitude, analytic and synthetic skills, not to mention numeracy, literacy, access to technology, and the sense of belonging which they foster - are all products of proper schooling.

12. ***Irrational beliefs***, pseudo-sciences, and the occult rushed in to profitably fill the vacuum left by the crumbling education systems. These wasteful preoccupations encourage in their followers an overpowering sense of fatalistic determinism and hinder their ability to exercise judgment and initiative. The discourse of commerce and finance relies on unmitigated rationality and is, in essence, contractual. Irrationality is detrimental to the successful and happy exchange of goods and services.

13. Employers place ***no premium on work ethic***. Workers don't get paid more or differently if they are more conscientious, or more efficient, or more friendly. In an interlinked, globalized world, customers are fungible. There are so many billions of potential clients that customer loyalty has been rendered irrelevant. Marketing, showmanship, and narcissistic bluster are far better appreciated by workplaces because they serve to attract clientele to be bilked and then discarded or ignored.

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Psychology of Political Assassins

By: Sam Vaknin, Brussels Morning

Would-be assassins of political figures engage in dichotomous thinking (splitting): evil vs. good. The politician is all evil, the assassin is on the side of good. It is a morality play.

The assassin's thinking is apocalyptic (catastrophizing): the world as we know it will come to its end should the wicked politician have his/her way. There is a sense of urgency, helplessness, anxiety, even panic.

The assassin's cognitive processes are distorted and his reality testing is impaired. He is grandiose ("Only I have the power and courage it takes to change the world and the course of history").

Should the politician survive the assassination attempt, many of his followers and disciples are likely to regard it as a sign of divine protection and anointment.

When the assassination attempt succeeds, ensuing hagiography renders the politician an immaculate saint and a sacrificial lamb for the cause.

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Narcissistic Mortifications: Netanyahu, Biden, Trump

By: Sam Vaknin, Brussels Morning

Trump, Netanyahu, and Biden suffered egregious public humiliations: having lost the 2020 Presidential elections, having suffered the indignities of the October 7, and having been exposed as the hapless subject of the ravages of cognitive decline in a most widely watched public debate.

These kinds of events are called "narcissistic mortifications".

Narcissistic mortification is "intense fear associated with narcissistic injury and humiliation ... the shocking reaction when individuals face the discrepancy between an endorsed or ideal view of the self and a drastically contrasting realization" (Freud in Ronningstam, 2013). Rothstein (ibid.): "... fear of falling short of ideals with the loss of perfection and accompanying humiliation".

This fear extends to intimacy in interpersonal relationships (Fiscalini), unrealized or forbidden wishes and related defenses (Horowitz), and, as Kohut so aptly summarized it: "fear associated with rejection, isolation, and loss of contact with reality, and loss of admiration, equilibrium, and important objects."

Kernberg augmented this list by adding: "fear of dependency and destroying the relationship with the analyst, fear of retaliation, of one's own aggression and destructiveness, and fear of death."

Narcissistic mortification, is, therefore, a sudden sense of defeat and loss of control over internal or external objects or realities, caused by an aggressing person or a compulsive trait or behavior.

It produces disorientation, terror (distinct from anticipatory fear), and a "damming up of narcissistic (ego-)libido or destrudo (mortido) is created" (Eidelberg, 1957, 1959).

The entire personality is overwhelmed by impotent ineluctability and a lack of alternatives (inability to force objects to conform or to rely on their goodwill). Mortification reflects the activity of infantile strategies of coping with frustration or repression (such as grandiosity) and their attendant psychological defense mechanisms (for example, splitting, denial, or magical thinking).

Early childhood events of mortification are crucial in teaching the baby to distinguish between the external and the internal, establish ego boundaries, recognize his limitations, delay gratification, and select among options.

Of course, it is possible to be overtaken by multiple internal and external mortifications ("traumas") to the point that repression and dissociation become indispensable as well as compensatory cognitive deficits (omnipotent or omniscient grandiosity, entitlement, invincibility, paranoid projection, and so on).

Bergler and Maldonado reminds us that pathological (secondary) narcissism is a reaction to the loss of infantile omnipotent delusions and of a good and meaningful object, associated in the child's mind with ideals, a loss which threatens "continuity, stability, coherence, and wellbeing" of the self.

In adulthood, a self-inflicted internal mortification, usually founded on these distortions of reality, compensates for an external one and disguises it and vice versa: an internal mortification such as an autoplastic defense ("It is all my fault, I made it happen") restores a grandiose illusion of control over an external mortification while a persecutory delusion (an external mortification) replaces an internal mortification ("I have evil and hateful thoughts towards people").

But, the only true solution to a mortification is the regaining of control and, even then, it is only partial as control had clearly been lost at some point and this cataclysm can never be forgotten, forgiven, or effectively dealt with.

The need to reframe narcissistic mortification is because – as an extreme and intolerably painful form of shame-induced traumatic depressive anxiety – it threatens the integrity of the self, following a sudden awareness of one's limitations and defects (Lansky, 2000 and Libbey, 2006).

When they are faced with their own hopeless "unlovability, badness, and worthlessness", mortified people experience shock, exposure, and intense humiliation, often converted to somatic symptoms. It feels like annihilation and disintegration.

Hurvich (1989) described it as: "a virtually intolerable intolerable experience of terror, fright, or dread related to a sense of 'overwhelmed helplessness, reminiscent of the overwhelmed helplessness of infancy ... annihilation anxiety ... 'Fear of the Disintegration of the Self or of Identity'" (Libbey, 2006).

Libbey postulates that narcissistic mortification is a "sudden loss of the psychic sense of self, which occurs simultaneously with a perception that the tie to a self-object (Kohut, 1971) is threatened." Kohut added: "if the grandiosity of the narcissistic self has been insufficiently modified...then the adult ego will tend to vacillate between an irrational overestimation of the self and feelings of inferiority and will react with narcissistic mortification to the thwarting of its ambitions." Object relations theorists concurred: Bion's "nameless dread", Winnicott's "original agonies" of the collapse of childish consciousness as it evolves and mature into an adult's.

This may have to do with a lack of evocative constancy: "The capacity to maintain positively toned images of self and others with which to dispel feelings of self-doubt (Adler and Buie, 1979). Self-reflexivity – "the ability to oscillate easily among varying perspectives on the self" (Libbey, 2006) crucially relies on the smooth operation of evocative constancy (Bach, 1978, Broucek, 1982).

Libbey describes two strategies that narcissists use to restore a modicum of cohesiveness to the self. The "deflated" narcissist debases the self and inflates or idealizes "the object in order

to reacquire it ... It can include, for example, atonement, aggrandizement of the other, self-punishment, and self-flagellation ... designed to appease and hold on to selfobjects." Anna Freud presaged this with her concept of “altruistic surrender” (self-sacrificial and, therefore, self-disparaging altruism).

Another strategy, of “inflated” narcissists and revenge seekers, involves “debasement of the object ... attacking the other, in order to aggrandize and re-stabilize the self. There is always a winner and a loser. Such narcissists 'fight fire with fire' or 'take an eye for an eye' ... 'arighting the scales of justice.' There are only winners and losers, and they must be the winners ... (Shamers) are also adept at short-circuiting the plunge into mortification altogether, preemptively expelling impending feelings of shame and defectiveness by humiliating the other ... Whichever route is taken, the individual cannot recover from mortification until a tolerable, familiar self-state is re-acquired, either by re-establishing the other as an approving object, or by destroying the other, temporarily or permanently ... narcissistic conceit, designed to project the defective self-experiences onto self-objects.”

Some narcissists are attracted to promiscuous, labile, and dysregulated women also because of their potential to cause mortification. In their homemaker phase, these women make the narcissist feel dead. But in their “borderline” stage, these intimate partners guarantee mortification and only mortification restores freedom from commitment and the adventure of the next shared fantasy.

Only mortification makes the narcissist feel alive and sexually aroused: sadism, masochism, and libido maximized and a recreation of the primary unresolved conflict. In the mortification crisis, the narcissist sees himself through other people’s eyes and stands a chance to free himself of the shackles of his taskmaster, the False Self, via re-traumatization.

These women are the narcissist’s pawns: he selects them in order to fulfil roles in both the shared fantasy and the liberating antifantasy mortification.

They need to integrate in the shared psychosis, retraumatize the narcissist (reenact the unresolved conflict with his mother and mortify him), and free him to move on to the next shared fantasy. These women often protest: "We cheated on you because we felt that this is what you wanted, to please you, to prove you right". The narcissist does not push them away - he cajoles them to push him away!

This could lead to finally force the narcissist to accept and to internalize the insight that he is "very sick": in itself a mortification, it is the first step in a therapeutic process of healing - or of giving up on himself and on life.

Treatment should focus on converting mortification to shame “which includes the capacity to tolerate it and to use it as a signal ... Both defensive styles require continued dependence on selfobjects and must be mounted again and again. Tolerating bearable shame can make self-appraisal and self-tolerance possible, ultimately leading to psychic separation and self-reliance.”

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Trump's Insurance: Rogue SCOTUS

By: Sam Vaknin, Brussels Morning

Trump is now a weaker candidate than he was only a week ago: way older than Kalama Harris and a convicted felon to her ex-prosecutor. Money is flowing into Democratic coffers at an unprecedented pace. The party is newly energized.

Should he be defeated at the polls, Trump's only hope to secure a win is through the slavish and cynical Supreme Court of the USA (SCOTUS). The GOP has done it before (Bush).

The electoral college is built to ignore the popular vote, it is innately an anti-democratic institution. Add to it an anti-democratic SCOTUS and the Presidency is Trump's.

Further down the road, Trump may also seek to either abolish term limits or to designate one of his sons as an heir in the equivalent of a dynastic monarchy.

Next move in the hostile takeover:

SCOTUS may collude with Trump to deny the Democrats a Harris ticket in several states as well as access to any and all funds collected by the party hitherto.

There is one more legal move: fraud. The GOP can sue for having been defrauded by the Democrats and also claim that donors and voters in the primaries have been swindled. Lower MAGA courts and SCOTUS will have no trouble to play ball with this.

This is both unprecedented and runs against this high court's own precedent (Trump vs. Anderson). But this kangaroo SCOTUS maintains a very conflicted relationship with precedents - and with the truth. It will do what's good for Trump, period.

Some predict that "all hell will break loose" should this transpire. It won't. Study the history of the Communist party in the Weimar Republic.

The Communists and Socialists in the Weimar Republic in Germany were far stronger than the Democrats are now in the USA. When Hitler was appointed dictator by the legislature (in the March 1933 Enabling Act), they just went along with it. This pattern has occurred all over the world in the wake of an authoritarian takeover.

When democracy is defeated, people just give up and move on, accepting the inevitability of a Hitler or an Orban or a Netanyahu or an Erdogan or a Putin.

The Democrats have already folded over much worse (Trump vs. USA) - and on multiple occasions.

The last desperate argument is that equating the USA to Russia or to the Weimar Republic is a false equivalency. The USA has a venerated system of checks and balances and has survived as a democracy against all odds (recall the Civil War).

Yet, tradition is no bulwark against usurpation and a hostile takeover. Institutions are malleable and only as good as the people who run them.

Republican Rome has lasted twice as long as the USA. Its checks and balances were way more sophisticated. In some ways, it was more profoundly democratic than the USA. Yet, it had transitioned seamlessly, voluntarily, and abruptly into the rapacious and tyrannical Roman Empire.

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Israel on the Path to the Nuclear Samson Option

By: Sam Vaknin, Brussels Morning

Israel is in possession of about 300 nuclear warheads of varying yields and launchable from a variety of platforms. This gives it the option of a devastating second strike.

For decades now, Israel has maintained opacity and ambiguity regarding its nuclear strategy. Twice, in its history, Israel came close to making use of its ever growing arsenal.

Recently, Israel embarked on a massive refurbishing program of its aging thermonuclear weapons, some of which date back to the 1960s and are unsafe.

The world has been led to believe that Israel is committed to a "No First Use" policy and that it would leverage its doomsday pile only when faced with extinction.

Both assumptions are untrue.

Israeli planning calls for the preemptive deployment and use of both tactical and strategic nuclear bombs in case Israel is faced with overwhelming conventional force, such as Iran's or Hizbullah's.

When the territorial integrity of the State of Israel or the safety of the majority of its populace are at stake, Israel will most definitely nuke the sources of the menace.

In the wake of the targeted assassination of Ismail Haniyeh on Iranian soil and in view of the imminent acquisition of nuclear bombs by the theocratic, rabidly anti-Israeli regime in Tehran, it would make sense for Israel to strike first, sooner rather than later, and with full force.

The likely targets are the nuclear facilities in Iran and Hizbullah's strongholds and hinterland in Lebanon.

Israel has got nothing to lose. It is a pariah state, increasingly shunned even by its strongest and only ally, the United States. Having eliminated its foes in a mushroom cloud, it could look forward to years of ostracism, but at least it will survive to see another day.

In hidden chambers, many in the West – and East! – would actually be grateful that the likes of Iran and its proxies are off the map for good. Israel will have done the world a service.

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Post-modern Autocracy Made in USA

By: Sam Vaknin, Brussels Morning

Autocracy is nothing new, but it has a post-modern version, replete with the following characteristics:

(1) The trappings of a democracy ("elections", institutional "checks and balances", multi-"party" system, "media");

(2) Affiliation with a global network of authoritarian regimes which cross-promote the members's agendas and interests; and

(3) Vehement and hateful rejection of the values of liberal-democracy and the left, especially pluralism, sexual, gender, and social freedoms, free speech, and the peaceful transition of power.

But the historical fact is that it is American coercive meddling that has created or restored autocracy as an alternative political and geopolitical organizing principle and value system. Suffice it to mention South Vietnam taken over by the Communist North, Russia after Yeltsin, and Afghanistan, now again in the hands of the Taliban.

Seemingly incapable of learning from its mistakes, the USA is currently repeating the same self-defeating pattern in Israel, Venezulea, and a host of other polities.

Autocrats perceive democracy and Western decadence as symptoms of incurable and inexorable effeteness. With narcissism on the rise, such vulnerabilities are widely derided and decried in populist movements. Strong men are touted as the panacea to all the ills of the failed progressive project.

Autocracy is highly performative. It fits in well with Guy Debord's "society of the spectacle" and it leverages the emergence of social media, conspiracism, and fake news.

I am reminded of this quote:

"I came here to see a country, but what I find is a theater ... In appearances, everything happens as it does everywhere else. There is no difference except in the very foundation of things."

(de Custine, writing about Russia in the mid-19th century)

Four decades ago, the Polish-American-Jewish author Jerzy Kosinski, wrote (or maybe compiled) the book "Being There". It describes the election to the presidency of the United States of a simpleton, a gardener, whose vapid and trite pronouncements are taken to be sagacious and penetrating insights into human affairs. The "Being There Syndrome" is now manifest throughout the world: from Russia (Putin) to the United States (Obama, Trump).

Given a high enough level of frustration, triggered by recurrent, endemic, and systemic failures in all spheres of policy, even the most resilient democracy develops a predilection to

"strong men", leaders whose self-confidence, sangfroid, and apparent omniscience all but "guarantee" a change of course for the better.

These are usually people with a thin resume in politics, having accomplished little prior to their ascendance. They appear to have erupted on the scene from nowhere. They are received as providential messiahs precisely because they are unencumbered with a discernible past and, thus, are ostensibly unburdened by prior affiliations and commitments to the establishment (the “swamp”). Their only duty is to a nebulous and shape-shifting horizon. They are a-historical: they have no history and they are above history.

Indeed, it is precisely this apparent lack of a biography that qualifies these leaders to represent and bring about a fantastic and grandiose future. They act as a blank screen upon which the multitudes project their own traits, wishes, personal biographies, needs, and yearnings.

The more these leaders deviate from their initial promises and the more they fail, the dearer they are to the hearts of their constituents: like them, their new-chosen leader is struggling, coping, trying, and failing and, like them, he has his shortcomings and vices. This affinity is endearing and captivating. It helps to form a shared psychosis (follies-a-plusieurs) between ruler and people and fosters the emergence of a hagiography.

The propensity to elevate narcissistic or even psychopathic personalities to power is most pronounced in countries that lack a democratic tradition (such as China, Russia, Hungary, or the nations that inhabit the territories that once belonged to Byzantium or the Ottoman Empire).

Cultures and civilizations which frown upon individualism and have a collectivist tradition, prefer to install "strong collective leaderships" rather than "strong men".

Yet, all these polities maintain a theatre of democracy, or a theatre of "democratically-reached consensus" (Putin calls it: "sovereign democracy"). Such charades are devoid of essence and proper function and are replete and concurrent with a personality cult or the adoration of the party in power and its network of benevolent and venal patronage.

In most developing countries and nations in transition, "democracy" is an empty word. Granted, the hallmarks of democracy are there: candidate lists, parties, election propaganda, a plurality of media, and voting. But its quiddity is absent.

The democratic principles and institutions are being consistently hollowed out and rendered mock by election fraud, exclusionary policies, cronyism, corruption, intimidation, and collusion with Western interests, both commercial and political.

The new "democracies" are thinly-disguised and criminalized plutocracies (recall the Russian oligarchs), authoritarian regimes (Central Asia and the Caucasus), or puppeteered heterarchies (Macedonia, Iran, Bosnia, and Iraq, to mention recent examples).

The new "democracies" suffer from many of the same ills that afflict their veteran role models: murky campaign finances; venal revolving doors between state administration and private enterprise; endemic corruption, nepotism, and cronyism; self-censoring media; socially, economically, and politically excluded minorities; and so on.

This malaise threatens the foundations of even the likes of the United States and France.

Many nations have chosen prosperity over democracy. Yes, the denizens of these realms can't speak their mind or protest or criticize or even joke lest they be arrested or worse - but, in exchange for giving up these trivial freedoms, they have food on the table, they are fully employed, they receive ample health care and proper education, they save and spend to their hearts' content.

In return for all these Confucian worldly and intangible goods (popularity of the leadership which yields political stability; prosperity; security; prestige abroad; authority at home; a renewed sense of nationalism, collective and community), the citizens of these countries forgo the right to be able to criticize the regime or change it once every four years. Many insist that they have struck a good bargain - not a Faustian one.

The only threat to most autocracies is the inter-generational transmission of power in an environment increasingly more suffused with pathological narcissism and psychopathy.

By definition, leaders are authority figures and, as such, stand in for one's father, especially in patriarchal and traditionalist societies. Old-school psychoanalysts would tell you that such substitution is bound to provoke one's latent Oedipal complex and proclivity for patricide, whether actual (in the form of an assassination) or symbolic (in the form of dissent and disdainful criticism).

Young, emerging leaders more often than not treat their predecessors this way: as hated parent-figures. This is especially true when the new or young leader's childhood has been marked by the traumas wrought on by an absent, or an abusive father, as is much more common nowadays than ever.

This pernicious undercurrent often mixes unsettlingly with virulent envy, the outcome of deep-seated feelings of inferiority and insecurity.

The less self-regulated the new or young leader's sense of self-worth, the more s/he resorts to narcissistic defenses and the more s/he compulsively seeks narcissistic supply (attention, adulation) to buttress his/her precariously-balanced personality.

Narcissism is frequently tinged with sadism and passive-aggressive behaviors: taunting the older or previous leader, publicly humiliating him or her, thus showing him/her "who is boss".

The more successful the new or young leader is at defeating or subjugating his predecessors, the more it supports his belief in his own omnipotence, omniscience, and cosmic-messianic sense of mission.

Every manner of psychological defense mechanism is provoked in the young leader: denial (of the inappropriateness, impudence, and immorality of his actions); devaluation (of the older leadership, thus justifying their mistreatment); displacement (scapegoating the previous leaders for one's own predicament and failures); fantasy (evading reality by constructing elaborate grandiose narratives and confabulations); idealization (of the nation, for instance, or of one's own coterie or political party); omnipotence; projection (attributing to the former leaders one's own faults, frailties, and shortcomings); projective identification (provoking the older leaders into action that is unseemly or against their best interests); rationalization and intellectualization (of one's misconduct and misdeeds); splitting (casting the older, erstwhile leaders as evil, corrupt, and incompetent while attributing to oneself all the positive traits).

The end result of such a clash is often a civil war or at the very least decimating civil unrest. This is the endpoint of most autocracies, too.

Alas, the youth of today are opting out of the political and social game and the public square. They are not participating in the life of collective, not even as rebels. They merely seek to sabotage the established order via avoidance, virtue signaling and self-aggrandizing morality plays, withdrawal, and passive-aggressive resistance. They constitute a new phenomenon: the avoidant revolutionary. Their ostentatious absence spells the perpetuation and ascendance of autocracy over democracy.

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Return

Shame-based Politics: Hizbullah, Iran, Russia, Trump

By: Sam Vaknin, Brussels Morning

Bullies, thugs, criminals, terrorists, and rogue bad actors are cowards. Faced with resistance, they fold. Stand your ground, face them down, fight back and they are gone, tail between the legs.

Except that is if you humiliate, shame, and mortify them in public, ostentatiously, to their face, in front of their acolytes, dependents, and constituencies.

Then, they are forced to escalate in order to restore their bruised reputation, wipe the disgrace, save face, and regain deterrence and authority.

Shame-based and reputation-based societies often compel their members to sacrifice their best interests in the pursuit of positioning, dignity, and respect.

As I survey the increasingly more dystopian international scene, the role of shame and reputational costs in political and geopolitical decision-making is becoming more evident by the day.

Start with Hizbullah and Iran.

Hizbullah is unlikely to cease its attacks on Israel even in the wake of a ceasefire in Gaza. The assassination of Fuad Shukr, Hizbullah's chief of staff in Beirut, has crossed a red line, precisely because it exposed the incompetence and porousness of the boastful militia.

Israel's growing panic, faced with Iran's retribution for the humiliating killing of Hamas's Ismail Haniyeh in Tehran, is an added incentive to up the military stakes. It is evident that Israel is defenseless in the face of Hizbullah's UAVs and precision missiles, let alone Iran's arsenal.

The Arab world, Iran, as well as China and Russia are shame-based societies: dignity matters more than life itself. Deterrence consists of this very ostentatious suicidal preference.

The West regards such calculus as irrational but would do well to take it into account: it is the mindset typical of bullies, thugs, criminals, and terrorists.

Consider Ukraine's invasion of Russia's Kursk region. It is bound to be repelled. But the public mortification incurred by Russia will push it to escalate the war in extremely dangerous ways, including, possibly, to target other countries in Europe and use tactical nuclear weapons.

Same thinking applies to Iran: Haniyeh was an honored guest when the Israelis got him amid the inauguration of a new President there. Iran must restore its "name" and "face" in the region and among its proxies, regardless of the cost to itself.

Trump and his base are also a reputation-based movement. Fear and contempt are the instruments of power, not love or solidarity.

The recent decision by the Supreme Court of the USA regarding the immunity of the President (Trump, actually) when it comes to official acts is reminiscent of the doctrine of papal infallibility regarding pronouncements ex cathedra.

But its main benefit to Trump is to forestall reputational costs: not standing trial (or being pardoned, like Nixon) is a great way to avoid the disgrace inflicted on politicians when they stray from the straight and narrow (the Nuremberg trials and the ICC come to mind).

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Return

Circumventing Western Sanctions: Barter and Countertrade in Russia, China, Iran, North Korea

By: Sam Vaknin, Brussels Morning

Western sanctions have effectively cut off Russia, Iran, and North Korea from the financial infrastructure of the West, including the critical interbank SWIFT payments network. Banks, including Chinese ones, are wary of doing business with or within these marked territories.

Increasingly these pariah countries are resorting to cryptocurrencies, alternative tenders such as the Yuan, fringe payment systems, including reactivated Hawala networks, and, predominantly to barter (countertrade) as means to circumvent the West's stranglehold.

Here is a brief overview of barter and countertrade operations and transactions:

1. **Countertrade** - a transaction which links exports to imports in place of a financial settlement

2. **Reasons**

A. Trade financing risky (debt crisis)

B. Tight import credits (because of low exports)

C. Entry into new markets (both the exporter and the importer)

D. Products differentiation and creating competitive advantages

E. Convertibility or political - financial problems

3. **Transaction phases**

A. Identify target country arrangements / regulations

B. Evaluate their attractiveness and

C. Find the most favored one from the buyer's perspective

D. Match your strengths with current / potential countertrade (internal / external uses for the goods, distribution network)

E. Consider the accounting / taxation aspects

F. Choose between in - house expertise and outside specialists

G. Beware of risks:

a. Quality and consistency of goods

b. Delivery times

c. Supplier reliability

d. Changes in the value of goods over time

e. Negative attitude of Governments and IFIs (e.g., EXIM bank in USA)

4. **Countertrade is a marketing tool:**

A. Generating hard currency for clients

B. Helping them to market their products

C. Sharing (information, marketing, technology, production)

5. **Countertrade components**

A. Piecing together sources of finance, services and supplies in different countries to minimize hard currency net outlays of the importer.

B. Creating FOREX income for the importer through unrelated protects / new investments.

C. Partial payment in soft currencies through reinvestment of the proceeds in the importer's country.

D. Escrow accounts in foreign banks funded by the importer through export revenues (hedge until counter delivered goods are sold).

6. **Arguments in favour of countertrade**

A. International commerce - an extension of national (economic) policies.

B. (Leads to) a preference to deal with trade competition through bilateral accommodations favoring domestic exporters.

C. Uneven recovery rates and protective import policies.

D. A hedge against declining trade levels.

E. The growing third world debts.

F. Constraints on credits and debt rescheduling.

G. Dependence of developing countries on import - led growth and export expansion for debt servicing and unemployment.

H. Tool of long term industrial policy and economic planning.

7. **Factors affecting the future of countertrade**

A. Ability of world markets to accommodate counterdeliveries.

B. Nature of assets offered (raw materials, components, finished goods).

C. Streamlining of bureaucratic bottlenecks.

D. Willingness of western exporters to engage in higher risk trade.

COUNTERTRADE - (B) FORMS

1. **Countertrade and offset** are reciprocal arrangements.

Countertrade is the exchange of goods and services intended mainly to alleviate FOREX shortages of importers.

Offset is intended to advance industrial development objectives.

2. **Assets exchanged** include physical goods, services (e.g., tourism, engineering or transportation), rights (licenses, leases, etc.), lien instruments (e.g., sovereign promissory notes), or temporary ownership (BOT - built, operate, transfer arrangements).

3. **Developed industrialized countries** emphasize technology and production processes while **developing countries** emphasize additional exports.

4. The **contractual arrangements** include cashless exchange of goods of comparable value, parallel import / export transactions with their own separate finances, production sharing / equity position.

5. **Countertrade ratio** - percent of the value of export offset by counterdeliveries

DISAGGIO - subsidy paid as a commission / discount by the exporter to a broker responsible for marketing counterdeliveries (in the hands of the broker it is AGGIO).

SWITCH - transfer of rights to countertrade goods to third parties

Protocol / link or framework contracts - side agreement linking the primary and secondary contracts in a countertrade

6. **Bilateral Government - To - Government trade agreements**

Reciprocal market access privileges (preferential terms)

A. To integrate the economies using clearing units - exporters and domestic currency by their Central bank.
B. Special political / regional trade relations.
C. Trading interests for raw materials sources.

7. **SWING** - margin of credit allowed on a bilateral clearing account (beyond which all trading stops) - usually 30%.

Clearing SWITCH - DISAGGIO driven financial operations. Bilateral imbalances are monetarised by brokerage networks through final sale products sourced from the country with the clearing arrears (or rights to products).

8. **Forms of compensatory trade arrangements**

OFFSET - in cases of purchases of military / (high cost) civilian equipment, counter - purchases are demanded as compensation.

Usually in the form of expansion of industrial capacity: coproduction, licensed production, subcontracting, overseas
investment, technology transfer, countertrade.

(IN) **DIRECT OFFSET** - articles (not) related to the sale.

BARTER - one time exchange of goods / services of equivalent value.

[examples: US - Jamaica, the dissolution of COMECON, Brokers' swaps]

BUYBACK (Compensation) - exporter receives products derived from the export.

Each leg is regulated by a separate contract.

COUNTERPURCHASE - exporter receives products unrelated to the export.

Exporter not allowed to transfer his credits and some advance purchases by exporters qualify.

UMBRELLA (Countertrade agreement) - includes multiple trading partners.

Between Western exporters and Government entity (**Evidence account**)

Between Governments concerning specific products (**Bilateral clearing**)

Countertrade used to release **blocked currencies / funds**

(Expatriation of profits against compensation)

OFFSHORE ESCROW ACCOUNTS - insulation from local banks ensure timely payments to exporters

Allowance for insufficient cash flows (production / marketing slippage)

COUNTERTRADE - (C) ANALYSIS AND PLANNING

1. **BENEFITS** (mainly intangible)
    A. Locking in foreign market shares
    B. Circumventing export restrictions
    C. Supporting subsidiaries /affiliates
    D. Depleting surplus inventory
    E. Preserving production / employment levels
2. **COSTS** (mainly tangible)
    A. General and administrative (handling, documentation)

B. Subsidy (DISAGGIO)

C. Financing and insurance (including holding & escrow accounts)

D. Performance / completion guarantees

3. **RISKS**

A. Expensive and partial insurance

B. Political risks and bureaucratic delays

C. Liability claims (personnel, product)

D. Property risks (direct damage or time dependent)

E. Lack of standardization

F. Shortfalls in delivery and marketing of the products

G. Losses due to delays: changes in production / export priorities

- sudden unavailability of raw materials
- crop failures
- inadequate transportation
- quality problems
- non-competitive pricing
- (arbitrary) marketing restrictions
- protectionist shifts
- contract failures of brokers / end users

4. **COUNTERMEASURES**

A. Analysis and viable pricing (maybe inflation of export prices)

B. The right contract

C. An insurance policy

D. Information about the importer, the markets and potential competitors brokers / end users

E. Recognizing anticipatory purchases and additionality requirements (transferable)

F. Separate the contracts to insulate performance and to facilitate financing, guarantees and insurance

5. **The CONTRACTS**

A. Primary sale - standard export contract + countertrade clause

B. Link contract - the countertrade contract includes:

1. amount and period of obligation
2. type, standards, pricing criteria of counterdeliveries
3. names of companies providing counterdeliveries or: free choice clause
4. transferability clause
5. currency of payments
6. notification and remittance procedures
7. rights or restrictions affecting the marketing of goods
8. non-performance penalties and damages
9. disputes, termination, unavailability of goods

C. Counterpurchase (buyback) contract includes:

1. reference to primary contract
2. standards, specifications, pricing, handling
3. disputes, force majeure, arbitration, law, indemnities

COUNTERTRADE - (D) SUPPORT SERVICES

1. **TRADING HOUSES** have:

A. Specialists and experience
B. Financial resources
C. Positions in markets and / or marketing networks

Can help with:

A. Marketing and representation
B. Transportation, warehousing, insurance
C. Finance: credits and investment management
D. Manufacturing, upgrading

2. **BANKS** - advisory services and matchmaking, switch trading of clearing currencies and debt conversions

3. **INSURANCE** - state and private (LLOYDS, CHUBB, AIG)

4. **OTHERS** - law firms, trade consultants and information firms, export management companies, government agencies, industrial giants.

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Return

Iran Rules the Middle East

By: Sam Vaknin, Brussels Morning

Intimidated by Iran's belligerent and suicidal proxies, pressured into submission by a craven, isolationist USA, countries such as Egypt, Saudi Arabia, and Jordan are succumbing to the Islamic Republic as the new regional powerhouse.

Only a dilapidated Israel, torn by internecine strife, stands in the way of Iran's ascendance – but not for long. Under inordinate American pressure, even Israel has refrained from retaliating having been attacked by 300 Iranian projectiles in April.

Iran's proxies – most notably Hizbullah, the Houthis, and the militias in Syria and Iraq – have created an unbreachable firewall around it. Iran uses them to bully countries and regimes in the Middle East into submission.

Jordan's Minister of Foreign Affairs visited Tehran after four decades incommunicado. He begged the ayatollahs to ease up on the infiltration and subversion in his country. But Iran is hellbent on regime change there.

Having been blackmailed by the USA into retreat in its fight against the Iran-backed Houthis in Yemen, snatching defeat from the jaws of unequivocal victory, the Saudis gave up on their erstwhile crumbling and unreliable geriatric ally across the ocean. They and the Abu Dhabis resorted to a dynamic and assertive China which successfully brokered in short order last year a deal with Iran and the resumption of diplomatic relations.

The latest of the toppling dominoes are Turkey and Egypt, both ostensibly allies of the West. Both are cozying up to Iran, now widely perceived as a proxy of China and Russia in the Middle East. Egypt has been conducting high-level negotiations with Iran ever since the summit in Riadh in November 2023.

The USA might be next to make peace with a nuclear Iran, should it reconcile itself to the inevitable redrawing of the balance of power in the region.

The USA, in the meantime, is on the precipice of another Trump presidency, marked by extreme isolationism. China and its newly acquired satellite Russia, are on the ascendance, geopolitically. They are also far more reliable allies than the West as Zelensky and al-Assad could confirm.

Israel is caught in a maelstrom: the USA, its only partner, is a broken reed. Iran, its bitterest foe, soon to go nuclear, undeterred, committed to the extermination of the Jewish state, is undoubtedly the next regional power bar none. Israel is the only entity to block Iran's way to regional hegemony. But not for long, it seems.

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Return

Hostage Deal with Hamas: Israel's Cognitive Dissonance

By: Sam Vaknin, Brussels Morning

Israeli advocates of an immediate ceasefire in Gaza as part of a hostage deal with Hamas, proffer the following arguments in favor of an agreement – all of them false:

FALSE ARGUMENT NUMBER 1

The return of the remaining hostages – many of them as corpses – will restore trust and the shattered covenant between the citizens of Israel and its government and military.

THE TRUTH

Nothing will ever revive the citizenry's confidence in the bloated, self-enriching, glorified militia which the IDF has become over the past few decades. The Air Force may be the sole exception.

Israel's armed forces and intelligence community are capable of spectacular one-offs and of the slaughter of civilians – but they are inferior and not up to the systemic military threats the State of Israel is currently faced with on all fronts.

The army and intelligence services have committed too many errors in the runup to October 7. Immersed in hubris and hedonism, craven delusions and misconceptions, exorbitant pay and pensions, and sheer stupidity among the largely political appointments, the IDF, Mossad, Shin Bet and the entire alphabet soup are now corrupted and dilapidated to the point of all-pervasive dysfunction. They are useless.

Faced with an existential threat akin to the annihilation in the Holocaust, many Israelis now are looking for a way out of their failed state. Those who can, emigrate. Those who cannot – try to do so all the same.

Furthermore: the internecine fault lines within the counterfactual fiction known as "Israeli society" have irrevocably erupted. The genie cannot be put back into the consensus and status quo bottles. It is a question of time before Israel disintegrates into a terminal civil war.

FALSE ARGUMENT NUMBER 2

A hostage-cum-ceasefire deal with Hamas is likely to prevent a regional war with Iran and its proxies.

THE TRUTH

Both Hizbullah and Iran are now compelled to settle open accounts with Israel, regardless of any developments in Gaza. A regional war is inevitable, though it might be low-intensity and asymmetrical.

Once a ceasefire is implemented in Gaza, Hizbullah and Iran will attack an economically enfeebled and bleeding Israel and initiate the second phase of their attempt to eradicate the Jewish State.

FALSE ARGUMENT NUMBER 3

Hamas is effectively defeated. No need to proceed with the war. Israel's aims have been accomplished.

TRUTH

Hamas have won this war decisively, in every possible dimension. Even militarily, Hamas is far from diminished.

Israel has killed, by its own estimate, 17,000 Hamas terrorists and their commanders. These are easily replaced in a population even more hateful and embittered by Israel's indiscriminate counterattack.

Iran is ready to replenish Hamas munitions and only one third of the tunnels within Gaza and between Gaza and Egypt have been destroyed (though many of these can be re-excavated within months).

It would take Hamas no longer than a year to regain its posture prior to October 7. Hamas is the future ruler of the Palestinians, its hero credentials burnished.

FALSE ARGUMENT NUMBER 4

Should Hamas violate the ceasefire agreement by moving armed fighters to the northern Gaza Strip or by smuggling materiel from Egypt under the Philadelphi corridor, Israel could easily resume military operations to counter these emerging threats.

TRUTH

No one – especially not the USA – will allow Israel to restart the war in Gaza. This ostensible option is utterly delusional.

Moreover: Israel will be preoccupied with international pressures (including arrest warrants against its leaders by the ICC) and with the war against Iran and Hizbullah.

Why do I mince words? Why do I not call these "false arguments" lies?

Because many Israelis fervently believe in them. In psychology we call it a fantasy defense against a cognitive dissonance and an unbearable reality.

It is a psychopathology which has been typical of both sides to this protracted conflict. The refusal to inhabit reality has led everyone in this benighted region into a surreal nightmare from which there is no awakening.

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Ceasefire-Hostage Deal is Irrational Choice: Hamas-Israel (and Hizbullah and Iran)

By: Sam Vaknin, Brussels Morning

With Gaza already reduced to rubble, its population decimated and displaced, and the IDF largely out of the Strip, why would Hamas accept a ceasefire vs. hostages deal? Why would it give up its only remaining card in return for meaningless "concessions" by Israel?

A permanent ceasefire is conditioned on the suicide-by-Mossad of Sinwar and the self-immolation of Hamas as the only government of what is left of Gaza. Disarmament, exiled leaders, and assassinations await. In return for what? Israel has nothing to offer except shattered and crippled Palestinian detainees and multi-decadal prisoners.

In the meantime, Israel is falling apart in every way, its dilapidated and overstretched army has lost control of Gaza, and Iran, its proxies, and Hizbullah are on the precipice of joining the fighting, however reluctantly. It is a once in a century opportunity to exterminate the "Zionist entity", they all seem to believe, delusionally.

Hamas has every incentive to decline a ceasefire and drag the other members of the "Axis of Resistance" into the seething cauldron.

In the meantime, in the North of the rump State of Israel, Hizbullah is conducting a war of attrition against the Jewish interlopers, colonizers, and settlers (as they see them).

Israel has learnt the hard way and multiply that it is no match for Hizbullah and cannot defeat it militarily. The only cogent strategy is to drive a wedge between the militia and the population. Intra-Lebanese alienation and the equivalent of a sectarian civil war constitute the only viable Israeli strategy.

It seems to be working. Hizbullah is constrained not by Israel's futile pinpricks, nor by Iran, its paymaster. It is avoiding escalation because, increasingly, it is losing the battle for hearts and minds: the support of the vegetative state that they have hijacked, Lebanon.

This will all end the way it had ended in numerous previous rounds: Israel will withdraw from Gaza, Hamas will regroup and rearm, Hizbullah will await another day, Iran will keep pouring resources into its firewall of proxies.

Even the most minimal claims of the Israelis and the Palestinians are perceived by the parties to the conflict as maximal, usurious, and irreconcilable. Increasingly, they are both converging on ethnic cleansing as the solution. It is a zero sum game – and not Israel's to win.

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Return

How to Confront Fake News, Misinformation, and Disinformation

By: Sam Vaknin, Brussels Morning

There are two types of fake info: goal-oriented and narrative-minded. The motivations behind these twin operations are different although the channels of dissemination are often one and the same.

Still, the root etiology of these insidious activities is identical: they thrive on the distrust between the citizen and the media as well as on persecutory and paranoid ideation regarding the elites and the authorities.

Fake news and skewed data often involve some kind of alleged occult conspiracy. They leverage psychodynamics and traits such as conspiracism, cognitive biases and distortions (e.g., grandiosity), naïve gullibility, and magical thinking.

Goal-oriented misinformation and disinformation are instruments wielded to secure political, geopolitical, or economic outcomes favorable to the source of the wrong data ("active measures").

Fake news also make an appearance within wide-ranging conspiracy theories intended to undermine the remaining good faith between people by virtue signaling the "courage" to undo and expose claimed advertent obfuscation, propaganda, falsities, and outright lies.

The remedy is to restore the trustworthy rapport between individuals and institutions, including with the state, law enforcement, the media, and the intellectual and business elites.

This requires transparency hard-wired into all processes, full disclosure, participatory decision-making, crowdsourced access to all communication channels, and external, trusted observers and rankers.

Still, in conditions of extreme indeterminacy, gossip replaces investigation and "commonsensical" flights of fancy substitute for research.

We have an innate need to make sense of the world. The more uncertain reality is, the more inclined we are to impose counterfactual narratives on it. But it is when these works of fiction hijack politics that we are in real trouble.

To eradicate the cancerous growth of post-truthism, an effort needs to be made both to restore the covenant between individual and collective and to introduce more predictability into our dystopian reality.

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The Durov Case: Regulate the Internet, Finally!

By: Sam Vaknin, Brussels Morning

Pavel Durov was arrested on 24 August 2024 in France by its anti-fraud office, which is attached to the French customs authority.

The arrest warrant issued by the French National Judicial Police listed 12 suspected violations regarding crimes on the Telegram platform which is a largely an unmoderated messaging and narrowcasting app.

With the advent of Web 2.0, Web 3.0, and UGC (User-generated Content), the Internet has completed its transformation into an anarchic and lawless ochlocracy (mob-rule). The Internet is a utility as well as a mass medium and like all media and utilities it must be regulated. The laws that apply offline must and, in due time, as legislators are exposed to the less savory aspects of the Web, will apply online.

Inevitably, the legal situation varies across countries and continents. Internet penetration has reached different levels at different times in different places. Thus, the following observations and recommendations are not universally valid or applicable. In some locales, various aspects of cyberspace have been tackled by governments and legislatures, albeit rarely fully and satisfactorily. In others, the field is wide open and the Internet resembles the Wild West at its worst moments (example: the dark web).

Laws and regulations passed and intermittently enforced against cybercrime attempt to prevent and constrain only a few obviously illegal acts. Spammers, spyware purveyors, child pornographers, and terrorists are the blatant tip of a much subtler iceberg of malicious and pernicious misconduct.

USA legislation (such as Section 230 of the Communication Decency Act of 1996) has largely exempted social media and messaging platforms from any legal liability to the content they end up hosting.

These are the minimal, initial steps that have to be taken in order to forestall a meltdown of this indispensable utility, the Internet:

1. Slander, Libel, and Defamation vs. Free Speech

The legal status of owners, editors, administrators, Webmasters and moderators of Websites, bulletin boards, forums, boards, groups, lists, wikis, UGC Websites, online news sources, search engines and portals, and blogging communities should be equated to that of publishers and journalists in the print and electronic media. Consequently, they should be held liable to civil damages and to criminal charges arising from actionable libel and defamation posted on their properties if they don't act promptly to comprehensively remedy said libel and defamation.

Internet Service Providers (ISPs) and hosting services should be obligated to disclose to law enforcement agencies and/or to plaintiffs the full personal data of anyone who break the law by publishing or sending libelous, slanderous, defamatory, harassing, or threatening content on or via the Internet.

2. Privacy

The right to privacy of computer users should be embedded in consumer protection laws, allowing for criminal penalties to be imposed on the perpetrators of privacy breaches and for civil damages to the victims.

Individuals and firms who accumulate personal data of suppliers, employees, customers and users or who gain access to them in the normal course of business should be obliged to protect and safeguard such information and to promptly notify those potentially affected of any incident involving the compromise of their personal data. Failure to act reasonably diligently to prevent identity theft should become a criminal offense.

Exceptions should be made only for law enforcement needs and even then only pursuant to warrants issued by especially-designated courts (the equivalent of FISA-mandated courts in the USA).

3. Copyright and Intellectual Property

Intellectual property laws should be considerably relaxed and fair use provisions considerably expanded to accommodate and reflect the nature, possibilities, and constraints of digital renditions of information. The USA's DMCA of 1998 is far too restrictive and hinders scholarship, free speech, and the uninterrupted flow of information.

Even so, owners, editors, administrators, Webmasters and moderators of Websites, bulletin boards, forums, boards, groups, lists, wikis, UGC Websites, online news sources, search engines and portals, and blogging communities should be held liable to civil damages and to criminal charges arising from infringements of copyrights and other intellectual property rights posted on or via their properties if they don't act promptly to comprehensively remedy said infringements.

Internet Service Providers (ISPs) and hosting services should be obligated to disclose to law enforcement agencies and/or to plaintiffs the full personal data of anyone who break the law by violating copyrights and other intellectual property rights on or via the Internet.

4. Anonymity

Anonymous or pseudonymous publishing of libelous, slanderous, defamatory, harassing, or threatening content on the Internet - including via e-mail, instant messaging, mashups, or wikis - should be explicitly and specifically made illegal.

Owners, editors, administrators, Webmasters, and moderators of Websites, bulletin boards, forums, boards, groups, lists, wikis, UGC Websites, online news sources, search engines and portals, and blogging communities should be made responsible to obtain the full names and countries of domicile of registered users, posters, contributors, and participants. Upon the first request of an injured party or a law enforcement agency, they should be obligated to make these personal data public in conjunction with libelous, slanderous, defamatory, harassing, or threatening content published.

Providing false personal data to owners, editors, administrators, and moderators of bulletin boards, forums, boards, groups, lists, wikis, UGC Websites, online news sources, and blogging communities should be made a criminal offense as well as give rise to civil damages.

Providing false personal data or remaining anonymous while sending or posting libelous, slanderous, defamatory, harassing, or threatening correspondence (for instance, via e-mail) should be made a criminal offense as well as give rise to civil damages.

Internet Service Providers (ISPs) and hosting services should be obligated to disclose to law enforcement agencies and/or to plaintiffs the full personal data of anyone who break the law by anonymously or pseudonymously publishing or sending libelous, slanderous, defamatory, harassing, or threatening content on or via the Internet.

5. Licensing and Anti-trust

All licensing requirements, content laws, and regulatory supervision that now apply to the print and electronic media should apply to Websites, bulletin boards, forums, boards, groups, lists, wikis, UGC Websites, search engines and portals, online news sources, and blogging communities. The Internet should be subjected to supervision and regulation by the relevant governmental oversight agencies (e.g., in the USA: FCC, FTC, SEC, and others).

Competition (anti-trust) laws and regulations shall be extended to apply to the Internet or, where they are already applicable, shall be enforced to ensure search neutrality, equal access to information, equal access to computing platforms, and fair competition.

6. Truth in Advertising and Misrepresentations

The owners, editors, administrators, Webmasters, and moderators of Websites, bulletin boards, forums, boards, groups, lists, wikis, UGC Websites, online news sources, search engines and portals, and blogging communities should have to truthfully describe the nature of their Internet properties and all other pertinent information items that may be required by a reasonable user - including their ownership structure, privacy policies, sources of information, affiliations, potential and actual conflicts of interest, outstanding lawsuits, risks associated with making use of their Internet properties and other pertinent disclosures.

Misrepresentations should be explicitly and specifically outlawed and carry both criminal penalties and civil liabilities.

It is not too late to restore a semblance of lawfulness to the Internet. True, the Web has been hijacked by stalkers, criminals, big business, and scammers. Even honest users are clueless as to what is and is not allowed. As far as the overwhelming majority of surfers are concerned, voluntary codes of conduct and the much-vaunted Netiquette have utterly failed to render cyberspace safe or, indeed, serviceable. The invisible hand of the market is, indeed, nowhere to be seen.

It is time for legislators and regulators to step in. Even a moderate dose of legislation and the willingness not to succumb to either to mob or to business pressures will go a long way towards restoring the Internet to its original purpose: the civilized and lawful - not to mention pleasurable - exchange of information and opinion over computer networks.

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The Clerical Pillar of New Autocracies

By: Sam Vaknin, Brussels Morning

The post-modern variant of autocracy is a thinly disguised plutocracy or oligarchy, buttressed by a populist swell of ochlocracy.

Institutional religion – hierarchical and utopian as it is – is an indispensable ally of such regimes.

Evangelicals support Trump, rabid Islamists spawn psychopathic movements like ISIS and Hamas, the religious right in Israel is Netanyahu's bulwark, and Putin is chums with a nationalistic and obscurantist Pravoslav church.

But nowhere has this collusion been more evident than in the Third Reich. The similarities with the confluence of evangelism and Trumpism nearly a century later are blood-curdling.

The so-called "German Christians" within the "new church" understood their mission as MGGA (Make Germany Great Again) and, therefore, regarded the Nazis as natural collaborators.

Their agenda included the "Aryanization" of the church (by excluding Jewish converts to Christianity). Hitler's agenda of race, blood, and soil felt divinely-inspired and the Fuhrer was widely perceived to be a Messiah if not, sotto voce, the Second Coming.

Prominent theologian Paul Althaus argued that race was a "divinely ordained order of creation". He welcomed with rupture Hitler's brutal and gory ascension to power.

The German Christians regarded themselves as the new chosen Volk and conflated the annals of Germany with the history of salvation.

Nazi Christians gravitated with ease to the new and virulent form of modern, industrial antisemitism. After all, the Jews, exiled from their homeland by the Romans, have always been immigrants in the diaspora. Antisemitism was not only a racial but also an anti-immigration, and an othering, xenophobic movement.

Mary Solberg in her book, "A Church Undone" has this to say:

"Most egregious of all, of course, was the church's failure to act on behalf of the Jews. Ideologically, the German Christians outdid the Nazis. They married the racial antisemitism of the Nazis to the religious and theological anti-Judaism that had threaded its way through the Christian tradition for centuries. In this overwhelmingly Lutheran land, recruiting 'the German prophet' Martin Luther for their purposes was not difficult; his 1543 tract On the Jews and Their Lies, with its hateful and violent suggestions for how to treat the Jews in sixteenth-century Germany, seemed tailor-made for Nazi purposes in twentieth-century Germany. Perusing the documents in this volume, it appears that German Christians found it both convenient and compelling to embrace Luther, even to bracket him with Hitler as the two greatest Germans who ever lived.

German Christian leader Julius Leutheuser could write in 1935, ‘Our love for our fellow Germans is the confirmation of our faith in the fact that we are all children of God.’ No self-respecting Christian would object. To declare that Jews are no longer ‘fellow Germans’—after the Nuremberg Laws were promulgated (in 1935), they were no longer German citizens—is only a short step away from excluding them in thought, word, and deed, from the larger circle formed by all of us ‘children of God.’ Once that happens, all moral and ethical bets are off.”

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Political Polarization as a Gender War

By: Sam Vaknin, Brussels Morning

One much neglected aspect of political polarization the world over is the gender war. In the USA, 31% of men identify as conservative. Only 23% of women do. Women are now more educated than men. Women under age 25 earn more than men do. Some hitherto male professions have been monopolized by women.

There is a male backlash. Men are fighting back. It is a battlefield. Sex, intimacy, marriage, and childrearing have all collapse as the gender duke it out.

Feminism caricatured men into a one-dimensional stereotype and women now aspire to become that caricature: they drink heavily, curse profusely, are "in your face, fuck you" antisocial and defiant, promiscuously and indiscriminately engage in emotionless one night stands, become workaholics, cheat on their intimate partners, and, generally act as grandiose and entitled narcissists, devoid of any hint of empathy.

In their attempts to emulate men, women use the feminist sexist caricature of the "typical" male as a template: a drunk and vulgar man-whore womanizer who cheats on his spouse and works himself to death in a jungle hostile universe.

Women have learned to mistrust men: about half them are bitter and broken victims of abuse, divorced, single mothers, impoverished, and hopeless.

Men Go Their Own Way (MGTOW) - a movement in the manosphere of men who renounce all contact with women - is merely a reaction to the fact that women have gone their own way a long time ago. There are no women left, only narcissists with a different genital apparatus.

Misogyny and misandry are forms of inverted gender dysphoria, actually. It is hatred, resentment, and revulsion brought on by the opposite sex. It encompasses all aspects and dimensions of the hate figure and in this sense, it is akin to racism.

Misogyny has been the patriarchal organizing principles of all societies from the agricultural revolution to this very day. It permeated all institutions, from the family to the Church to the state.

Misogyny was mainly intended to restrict the freedoms of women in order to prevent them from procreating extradyadically and thus secure the intergenerational transfer of wealth to the male’s rightful offspring.

Misandry is the reaction of some waves of feminism in the past 150 years or so. It is visceral and bitter, but not nearly as organized and institutionalized as misogyny.

Recently both are on the increase.

Some men are fighting back against what they perceive to be the ominous usurpation of rights and powers by women. They are also aghast at the way women have appropriated stereotypical male behaviors, such as promiscuity.

The counter-movement started off in disparate groups but now has coalesced into an agenda that is promoted by lawmakers all over the world. The backlash is fierce. Men are still the gatekeepers in most countries in the world. This doesn't bode well for women. Legal rights and access to services such as healthcare and educations are being rolled back and freedoms are curtailed.

Women are bound to be radicalized by such counter-reform. They are likely to become way more militant and masculinized. They are shunning men in growing numbers and resorting to male substitutes even when it comes to procreation: donor sperm and IVF.

There is a state of panic, both moral and operational. Inter-gender morality was imposed by men in order to preserve the "purity" of women and their role as domestic comforters-in-chief. As power shifted from men to women, this ideal has been shattered.

Moreover, as I mentioned, women emulate aggressive, ambitious men. In multiple studies, women described themselves in exclusively masculine terms. They have been taking away men's jobs for well over a hundred years now. They are way more educated than men so men feel absolutely threatened, very much like a species going extinct.

Men who react adversely to the ascendance of women and the emergence of a unigender world via legislation and politics are anxious, sociosexually restricted, narcissistic (but not psychopathic), insecure, and, in some cases, with a conflicted sexual and gender identity.

Rabid misogynists have created an ideology around their deep-seated, irrational, and pathological hatred. They have primitive defenses, are highly narcissistic and even psychopathic, and tend to externalize aggression. They tend to hold grudges and grievances, ruminate and fixate, and be vengeful and hypervigilant.

First and second wave feminisms (in plural: there are many schools) were focused on leveling the playing field and fighting abusive and exploitative practices such as prostitution and pornography.

Starting with the suffragettes, they focused on the franchise (the right to vote), equal wages, access (to healthcare, education, the workplace, daycare), revising the dress code ("rational dress"), the right to own and dispose of property, and converting marriage from indentured bondage to an intimate, hopefully lifelong equal partnership.

The third wave was a psychopathic outgrowth. While claiming to be inclusive and permissive, it was a defiant and reckless attempt to "empower" women by eliminating all boundaries, conventions, and mores of any kind in all fields of life.

What women have garnered from the confluence of the three waves is that they should make their careers the pivot of their lives, avoid meaningful, committed relationships with men, and pursue sex as a pastime with any man.

Ironically, the third wave played right into the hands of predatory men ("players") who took advantage of the newfangled promiscuity while assiduously avoiding any hint of commitment or investment. Third wave feminists internalized the male gaze ("internalized oppression") and pride themselves on being "sluts".

The fourth wave of feminism is focused on real problems such as sexual harassment, rape, and body shaming as well as intersectionality (discrimination of women who belong to more than one minority). In many ways, it is an offshoot of second wave feminism.

First, second, and fourth wave feminisms are legitimate movements which have improved and strengthened societies around the world by integrating women in the social and economic fabrics of their milieus.

The third wave was utterly destructive. It hijacked the feminist message and precipitated the gender wars which are threatening to undo the accomplishments of the first and second waves.

Moreover: corporate interested coopted the messaging of the third wave to encourage women to remain single and promiscuous in order to encourage their participation in the labor force and thus convert them into consumers.

Feminism needs to fight the patriarchy and its discriminatory practices – not men. It needs to recognize that men and women are equal, but not identical. It needs to encourage women to adopt boundaried sexuality and the formation of intimate partnerships, cohabitation households, and families with men (or women, if they are so inclined). It needs to expose the way business and the third wave end up disempowering women like never before.

Women are not a minority. Numerically, they are a majority. Their situation is reminiscent of apartheid in South Africa and needs to be tackled with the same tools: nonviolent resistance; truth and reconciliation; a peaceful and consensual transfer of power; an integrated society with no discrimination or subterfuge; equal rights and obligations while recognizing the uniqueness of each constituency.

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The Fallacies of Anti-immigration Ideologies

By: Sam Vaknin, Brussels Morning

Xenophobic anti-immigrant sentiments are nothing new. Antisemitism is an early form of such a populist ideology, directed at an involuntary Jewish influx (exile to the diaspora).

Anti-immigration movements are founded on myths and fallacies. Two of the most potent are: 1. Immigrants are usurping indigenous workplaces; and 2. That most immigrants are poor and, consequently, a burden on social services, education, and welfare budgets.

Both claims are grossly counterfactual.

Immigrants and the Fallacy of Labor Scarcity

Jean-Marie Le Pen - France's erstwhile dark horse presidential contender - was clearly emotional about the issue of immigration and, according to him, its correlates, crime and unemployment. His logic was dodgy at best and his paranoid xenophobia ill-disguised.

But Le Pen and his ilk - from Carinthia to Copenhagen - succeeded to force upon European mainstream discourse topics considered hitherto taboos. For decades, the European far right has been asking all the right questions and proffering all the wrong answers.

Consider the sacred cow of immigration and its emaciated twin, labour scarcity, or labour shortage.

Immigrants can't be choosy. They do the dirty and dangerous menial chores spurned by the native population. At the other extreme, highly skilled and richly educated foreigners substitute for the dwindling, unmotivated, and incompetent output of crumbling indigenous education systems in the West. As sated and effete white populations decline and age, immigrants gush forth like invigorated blood into a sclerotic system.

According to the United Nations Population Division, the EU would need to import 1.6 million migrant workers annually to maintain its current level of working age population. But it would need to absorb almost 14 million new, working age, immigrants per year just to preserve a stable ratio of workers to pensioners.

Similarly hysterical predictions of labour shortages and worker scarcity abounded in each of the previous three historic economic revolutions.

As agriculture developed and required increasingly more advanced skills, the extended family was brutally thrust from self-sufficiency to insufficiency. Many of its functions - from shoemaking to education - were farmed out to specialists.

But such experts were in very short supply. To overcome the perceived workforce deficiency, slave labour was introduced and wars were fought to maintain precious sources of "hands", skilled and unskilled alike.

Labour panics engulfed Britain - and later other industrialized nations such as Germany - during the 19th century and the beginning of the twentieth.

At first, industrialization seemed to be undermining the livelihood of the people and the production of "real" (read: agricultural) goods. There was fear of over-population and colonial immigration coupled with mercantilism was considered to be the solution.

Yet, skill shortages erupted in the metropolitan areas, even as villages were deserted in an accelerated process of mass urbanization and overseas migration.

A nascent education system tried to upgrade the skills of the newcomers and to match labour supply with demand.

Later, automation usurped the place of the more expensive and fickle laborer. But for a short while scarce labour was so strong as to be able to unionize and dictate employment terms to employers the world over.

The services and knowledge revolutions seemed to demonstrate the indispensability of immigration as an efficient market-orientated answer to shortages of skilled labour.

Foreign scientists were lured and imported to form the backbone of the space, computers, and Internet industries in countries such as the USA.

Desperate German politicians cried "Kinder, not Inder" (children, not Indians) when chancellor Schroeder allowed a miserly 20,000 foreigners to emigrate to Germany on computer-related work visas.

Sporadic, skill-specific scarcities notwithstanding - all previous apocalyptic Jeremiads regarding the economic implosion of rich countries brought on by their own demographic erosion have proven spectacularly false.

Some prophets of doom fell prey to Malthusian fallacies.

According to these scenarios of ruination, state pension and health obligations grow exponentially as the population grays. The number of active taxpayers - those who underwrite these obligations - declines as more people retire and others migrate.

At a certain point in time, the graphs diverge, leaving in their wake disgruntled and cheated pensioners and rebellious workers who refuse to shoulder the inane burden much longer. The only fix is to import taxable workers from the outside.

Other doomsayers gorge on "lumping fallacies".

These postulate that the quantities of all economic goods are fixed and conserved. There are immutable amounts of labour (known as the "lump of labour fallacy"), of pension benefits, and of taxpayers who support the increasingly insupportable and tenuous system.

Thus, any deviation from an infinitesimally fine equilibrium threatens the very foundations of the economy.

To maintain this equilibrium, certain replacement ratios are crucial. The ratio of active workers to pensioners, for instance, must not fall below 2 to 1. To maintain this ratio, many European countries (and Japan) need to import millions of fresh tax-paying (i.e., legal) immigrants per year.

Either way, according to these sages, immigration is both inevitable and desirable. This squares nicely with politically correct - yet vague - liberal ideals and so everyone in academe is content. A conventional wisdom was born.

Yet, both ideas are wrong. These are fallacies because economics deals in non-deterministic and open systems. At least nine forces countermand the gloomy prognoses aforementioned and vitiate the alleged need for immigration:

I. Labour Replacement

Labour is constantly being replaced by technology and automation. Even very high skilled jobs are partially supplanted by artificial intelligence, expert systems, smart agents, software authoring applications, remotely manipulated devices, and the like. The need for labour inputs is not constant. It decreases as technological sophistication and penetration increases. Technology also influences the composition of the work force and the profile of skills in demand.

As productivity grows, fewer workers produce more. American agriculture is a fine example. Less than 3 percent of the population are now engaged in agriculture in the USA. Yet, they produce many times the output produced a century ago by 30 percent of the population. Per capita the rise in productivity is even more impressive.

II. Chaotic Behaviour

All the Malthusian and Lumping models assume that pension and health benefits adhere to some linear function with a few well-known, actuarial, variables. This is not so. The actual benefits payable are very sensitive to the assumptions and threshold conditions incorporated in the predictive mathematical models used. Even a tiny change in one of the assumptions can yield a huge difference in the quantitative forecasts.

III. Incentive Structure

The doomsayers often assume a static and entropic social and economic environment. That is rarely true, if ever. Governments invariably influence economic outcomes by providing incentives and disincentives and thus distorting the "ideal" and "efficient" market. The size of unemployment benefits influences the size of the workforce. A higher or lower pension age coupled with specific tax incentives or disincentives can render the most rigorous mathematical model obsolete.

IV. Labour Force Participation

At a labour force participation rate of merely 60% (compared to the USA's 70%) Europe still has an enormous reservoir of manpower to draw on. Add the unemployed - another 8% of the workforce - to these gargantuan numbers - and Europe has no shortage of labour to talk of.

These workers are reluctant to work because the incentive structure is titled against low-skilled, low-pay, work. But this is a matter of policy. It can be changed. When push comes to shove, Europe will respond by adapting, not by perishing, or by flooding itself with 150 million foreigners.

V. International Trade

The role of international trade - now a pervasive phenomenon - is oft-neglected. Trade allows rich countries to purchase the fruits of foreign labour - without importing the laborers themselves. Moreover, according to economic theory, trade is preferable to immigration because it embodies the comparative advantages of the trading parties. These reflect local endowments.

VI. Virtual Space

Modern economies are comprised 70% of services and are sustained by vast networks of telecommunications and transport. Advances in computing allow to incorporate skilled foreign workers in local economic activities - from afar.

Distributed manufacturing, virtual teams (e.g., of designers or engineers or lawyers or medical doctors), multinationals - are all part of this growing trend. Many Indian programmers are employed by American firms without ever having crossed the ocean or making it into the immigration statistics.

VII. Punctuated Demographic Equilibria

Demographic trends are not linear. They resemble the pattern, borrowed from evolutionary biology, and known as "punctuated equilibrium". It is a fits and starts affair. Baby booms follow wars or baby busts. Demographic tendencies interact with economic realities, political developments, and the environment.

VIII. Emergent Social Trends

Social trends are even more important than demographic ones. Yet, because they are hard to identify, let alone quantify, they are scarcely to be found in the models used by the assorted Cassandras and pundits of international development agencies.

Arguably, the emergence of second and third careers, second families, part time work, flextime, work-from-home, telecommuting, and unisex professions have had a more decisive effect on our economic landscape than any single demographic shift, however pronounced.

IX. The Dismal Science

Immigration may contribute to growing mutual tolerance, pluralism, multiculturalism, and peace. But there is no definitive body of evidence that links it to economic growth. It is easy to point at immigration-free periods of unparalleled prosperity in the history of nations - or, conversely, at recessionary times coupled with a flood of immigrants.

So, were Le Pen and his intellectual progeny right?

Only in stating the obvious: Europe can survive and thrive without mass immigration. The EU may cope with its labour shortages by simply increasing labour force participation. Or it may coerce its unemployed (and women) into low-paid and 3-d (dirty, dangerous, and difficult) jobs. Or it may prolong working life by postponing retirement. Or it may do all the above - or none.

But surely to present immigration as a panacea to Europe's economic ills is as grotesque a caricature as Le Pen has ever conjured.

Immigrants are Poor, Undereducated, Unskilled – In Short: a Burden

The modern historical source of this counterfactual statement harks back to the 1990s. It behooves us, therefore, to study that period in order to get to grips with the emergence of this myth.

Human trafficking and people smuggling are multi-billion dollar industries. At least 50% of the 150 million immigrants the world over are illegal aliens. There are 80 million migrant workers found in virtually every country. They flee war, urban terrorism, crippling poverty, corruption, authoritarianism, nepotism, cronyism, and unemployment. Their main destinations are the EU and the USA - but many end up in lesser countries in Asia or Africa.

The International Labour Organization (ILO) published the following figures in 1997:

Africa had 20 Million migrant workers, North America - 17 million, Central and South America - 12 million, Asia - 7 million, the Middle East - 9 million, and Europe - 30 million.

In the 1990s, immigrants make up 15% of staid Switzerland's population, 9% of Germany's and Austria's, 7.5% of France's (though less than 4% of multi-cultural Blairite Britain). There are more than 15 million people born in Latin America living in the States. According to the American Census Bureau, foreign workers comprise 13% of the workforce (up from 9% in 1990).

A million have left Russia for Israel. In this past century, the world has experienced its most sweeping wave of both voluntary and forced immigration - and it does not seem to have abated.

According to the United Nations Population Division, the EU would need to import 1.6 million migrant workers annually to maintain its current level of working age population. But it would need almost 9 times as many to preserve a stable workers to pensioners ratio.

The EU may cope with this shortage by simply increasing labour force participation (74% in labour-short Netherlands, for instance). Or it may coerce its unemployed (and women) into low-paid and 3-d (dirty, dangerous, and difficult) jobs. Or it may prolong working life by postponing retirement.

These are not politically palatable decisions. Yet, a wave of xenophobia that hurtled lately across a startled Europe - from Austria to Denmark - won't allow the EU to adopt the only other solution: mass (though controlled and skill-selective) migration.

As a result, Europe has recently tightened its admission (and asylum) policies even more than it has in the 1970's. It bolted and shut its gates to primary (economic) migration. Only family reunifications are permitted.

Well over 80% of all immigrants to Britain are women joining their husbands, or children joining their father. Migrant workers are often discriminated against and abused and many are expelled intermittently.

Still, economic migrants - lured by European riches - keep pouring in illegally (about half a million every year to believe The Centre for Migration Policy Development in Vienna). Europe is the target of twice as many illegal migrants as the USA. Many of them (known as "labour tourists") shuttle across borders seasonally, or commute between home and work - sometimes daily.

Hence the EU's apprehension at allowing free movement of labour from the candidate countries and the "transition periods" (really moratoria) it wishes to impose on them following their long postponed accession.

According to the American Census Bureau's March 2002 "Current Population Survey", 20% of all US residents were of "foreign stock" (one quarter of them Mexican). They earned less than native-born Americans and were less likely to have health insurance. They were (on average) less educated (only 67% of immigrants age 25 and older completed high school compared to 87% of native-born Americans).

Their median income, at $36,000 was 10% lower and only 49% of them owned a home (compared to 67% of households headed by native-born Americans).

The averages masked huge disparities between Asians and Hispanics, though. Still, these ostensibly dismal figures constituted a vast improvement over comparable data in the country of origin.

But these are the distant echoes of past patterns of migration.

Traditional immigration is becoming gradually less attractive. Immigrants who came to Canada between 1985-1998 earned only 66% of the wages of their predecessors. Labour force participation of immigrants fell to 68% (1996) from 86% (1981).

While most immigrants until the 1980's were poor, uneducated, and unskilled - the current lot is middle-class, reasonably affluent, well educated, and highly skilled.

This phenomenon - the exodus of elites from all the developing and less developed countries - is called "brain drain", or "brain hemorrhage" by its detractors (and "brain exchange" or "brain mobility" by its proponents). These metaphors conjure up images of the inevitable outcomes of some mysterious processes, the market's invisible hand plucking the choicest and teleporting them to more abundant grounds.

Yet, this is far from being true. The developed countries, once a source of such emigration themselves (more than 100,000 European scientists left for the USA in the wake of the Second World War) actively seek to become its destination by selectively attracting only the skilled and educated citizens of developing countries.

They offer them higher salaries, a legal status (however contingent), and tempting attendant perks. The countries of origin cannot compete, able to offer only $50 a month salaries, crumbling universities, shortages of books and lab equipment, and an intellectual wasteland.

The European Commission had this to say 30 years ago:

"The Commission proposes, therefore, that the Union recognize the realities of the situation of today: that on the one hand migratory pressures will continue and that on the other hand in a context of economic growth and a declining and aging population, Europe needs immigrants. In this context our objective is not the quantitative increase in migratory flows but better management in qualitative terms so as to realize more fully the potential of immigrants' admitted."

And the EU's Social and Employment Commission added, as it forecast a deficit of 1.7 million workers in Information and Communications Technologies throughout the Union:

"A declining EU workforce due to demographic changes suggests that immigration of third country nationals would also help satisfy some of the skill needs [in the EU]. Reforms of tax benefit systems may be necessary to help people make up their minds to move to a location where they can get a job...while ensuring that the social objectives of welfare systems are not undermined."

In Hong Kong, the "Admission of Talents Scheme" (1999) and "The Admission of Mainland Professionals Scheme" (May 2001) allowed mainlanders to enter it for 12 month periods, if they:

"Possess outstanding qualifications, expertise or skills which are needed but not readily available in Hong Kong. They must have good academic qualifications, normally a doctorate degree in the relevant field."

According the January 2002 issue of "Migration News", at the time, with unemployment running at almost 6%, the US H1-B visa program allowed 195,000 foreigners with academic degrees to enter the US for up to 6 years and "upgrade" to immigrant status while in residence.

Many H1-B visas were cancelled due to the latest economic slowdowns, but the US provided other kinds of visas (E type) to people who invest in its territory by, for instance, opening a consultancy.

The UK has implemented the Highly Skilled Migrant Programme which allows "highly mobile people with the special talents that are required in a modern economy" to enter the UK for a period of one year (with indefinite renewal). Even xenophobic Japan allowed in 222,000 qualified foreigners in 2000 (double the figure in 1994).

Germany has absorbed 10,000 computer programmers (mainly from India and Eastern Europe) since July 2000. Ireland was planning to import twenty times as many over 7 years before the dotcoms bombed.

According to "The Economist" in 2001, more than 10,000 teachers have left Ecuador since 1998. More than half of all Ghanaian medical doctors have emigrated (120 in 1998 alone). More than 60% of all Ethiopian students abroad never return. There are 64,000 university educated Nigerians in the USA alone. More than 43% of all Africans living in North America have acquired at least a bachelor's degree.

Barry Chiswick and Timothy Hatton demonstrated ("International Migration and the Integration of Labour Markets", published by the NBER in its "Globalisation in Historical Perspective") that, as the economies of poor countries improve, emigration increases because people become sufficiently wealthy to finance the trip.

Poorer countries invest an average of $50,000 of their painfully scarce resources in every university graduate - only to witness most of them emigrate to richer places. The haves-not thus end up subsidizing the haves by exporting their human capital, the prospective members of their dwindling elites, and the taxes they would have paid had they stayed put. The formation of a middle class is often irreversibly hindered by an all-pervasive brain drain.

Politicians in some countries decry this trend and deride those emigrating. In a famous interview on state TV, the late prime minister of Israel, Yitzhak Rabin, described them as "a fallout of the jaded". But in many impoverished countries, local kleptocracies welcome the brain drain as it also drains the country of potential political adversaries.

Emigration also tends to decrease competitiveness. It increase salaries at home by reducing supply in the labour market (and reduces salaries at the receiving end, especially for unskilled workers).

Illegal migration has an even stronger downward effect on wages in the recipient country - illegal aliens tend to earn less than their legal compatriots.

The countries of origin, whose intellectual elites are depleted by the brain drain, are often forced to resort to hiring (expensive) foreigners.

African countries spend more than $4 billion annually on foreign experts, managers, scientists, programmers, and teachers.

Still, remittances by immigrants to their relatives back home constitute up to 10% of the GDP of certain countries - and up to 40% of national foreign exchange revenues.

The World Bank estimated that Latin American and Caribbean nationals received $15 billion in remittances in 2000 - ten times the 1980 figure. This may well be a gross underestimate. Mexicans alone remitted $6.7 billion in the first 9 months of 2001 (though job losses and reduced hours may have since adversely affected remittances). The IADB predicted that remittances will total $300 billion between 2000-2010 (Latin American immigrants send home c. 15% of their wages).

Official remittances (many go through unmonitored money transfer channels, such as the Asian Hawala network) are larger than all foreign aid combined.

"The Economist" calculates that workers' remittances in Latin America and the Caribbean are three times as large as aggregate foreign aid and larger than export proceeds.

Yet, this pecuniary flood is mostly used to finance the consumption of basics: staple foods, shelter, maintenance, clothing. It is non-productive capital.

Only a tiny part of the money ends up as investment. Countries - from Mexico to Israel, and from Macedonia to Guatemala - are trying to tap into the considerable wealth of their diasporas by issuing remittance-bonds, by offering tax holidays, one-stop-shop facilities, business incubators, and direct access to decision makers - as well as matching investment funds.

Migrant associations are sprouting all over the Western world, often at the behest of municipal authorities back home. The UNDP, the International Organization of Migration (IOM), as well as many governments (e.g., Israel, China, Venezuela, Uruguay, Ethiopia), encourage expatriates to share their skills with their counterparts in their country of origin.

The thriving hi-tech industries in Israel, India, Ireland, Taiwan, and South Korea were founded by returning migrants who brought with them not only capital to invest and contacts - but also entrepreneurial skills and cutting edge technologies.

Thailand established in 1997, within the National Science and Technology Development Agency, a 2.2 billion baht project called "Reverse the Brain Drain". Its aim is to "use the 'brain' and 'connections' of Thai professionals living overseas to help in the Development of Thailand, particularly in science and technology."

The OECD ("International Mobility of the Highly Skilled") wrote at the time that:

"More and more highly skilled workers are moving abroad for jobs, encouraging innovation to circulate and helping to boost economic growth around the globe."

But it admits that a "greater co-operation between sending and receiving countries is needed to ensure a fair distribution of benefits".

The OECD noted, in its "Annual Trends in International Migration, 2001" that (to quote its press release):

"Migration involving qualified and highly qualified workers rose sharply between 1999 and 2000, helped by better employment prospects and the easing of entry conditions. Instead of granting initial temporary work permits only for one year, as in the past, some OECD countries, particularly in Europe, have been issuing them for up to five years and generally making them renewable.

Countries such as Australia and Canada, where migration policies were mainly aimed at permanent settlers, are also now favoring temporary work permits valid for between three and six years ... In addition to a general increase in economic prosperity, one of the main factors behind the recent increase in worker migration has been the development of information technology, a sector where in 2000 there was a shortage of around 850,000 technicians in the US and nearly 2 million in Europe..."

But the OECD underplayed the importance of brain drain:

"Fears of a "brain drain" from developing to technologically advanced countries may be exaggerated, given that many professionals do eventually return to their country of origin. To avoid the loss of highly qualified workers, however, developing countries need to build their own innovation and research facilities ... China, for example, has recently launched a program aimed at developing 100 selected universities into world-class research centers. Another way to ensure return ... could be to encourage students to study abroad while making study grants conditional on the student's return home."

The key to a pacific and prosperous future lies in a multilateral agreement between brain-exporting, brain-importing, and transit countries.

Such an agreement should facilitate the sharing of the benefits accruing from migration and "brain exchange" among host countries, countries of origin, and transit countries.

In the absence of such a legal instrument, resentment among poorer nations is likely to grow even as the mushrooming needs of richer nations lead them to snatch more and more brains from their already woefully depleted sources.

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Regional War, Nuclear War

By: Sam Vaknin, Brussels Morning

Regional wars erupt only when some of the parties involved perceive a power asymmetry that would allow them to eliminate a foe or alter the geopolitical order.

This is why regional war in the Middle East is out of the question: both Iran and Israel are depleted economically, torn apart internally, and vulnerable to annihilating attacks.

Moreover: there is a coalition of moderate Sunni Arab states and Western powers pitted against Iran.

Similarly, the war between Russia and Ukraine will never spread or get out of hand. Even if Russia were to conquer the entire territory of its neighbor - NATO, a defensive alliance will not countenance going to war over it.

But there is a growing trend that is truly terrifying: the legitimization of the use of nuclear weapons even in conventional wars. Russia, North Korea, Israel, and China are all engaged in the ostentatious contemplation of the hitherto unthinkable.

Russia has just revised its policy to allow for the incorporation of its nuclear arsenal in all types of warfare. Israel considers the current conflict it is embroiled in an existential threat. North Korea is alarmed by the growing military collusion between the USA and South Korea and is flaunting its nuclear arsenal. China has just lobbed an ICBM to signal its readiness to confront the West over Taiwan.

The utilization of tactical nuclear weapons in regional or local wars is in itself only a minor threat to world peace. But having crossed this threshold, having flung open Pandora's box, strategic nuclear weapons are liable to follow.

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Iran: The Next North Korea: Proxies Out, Nuclear In

By: Sam Vaknin, Brussels Morning

Hamas's incursion into Israel and its massacre of hundreds of civilians came as a surprise to everyone, first and foremost to Hizbullah and to Iran. Last thing on their collective minds was to be dragged, kicking and screaming, into an all-out war with the "Zionist Occupier Entity".

The attack by Hamas has exposed Israel's clay feet, most notably its internecine strife and enfeebled army. It has rendered an economically crumbling and blindly vengeful Israel a pariah state.

But Iran's proxies everywhere suffered major, incapacitating blows as well, depriving Iran of its first line of defense against a hostile West.

Denuded of its long arms ("allies"), Iran is now forced to resort to nuclear weapons. It is weeks away from breakout as far as enriched uranium and plutonium go. It is in the throes of putting together a nuclear strategy and a corresponding doctrine to supersede or suspend the anti-nuclear fatwa by Khamenei.

Iran is still at least a year or two away from the ability to mount warheads of fissile material on missiles and deliver them to their targets unerringly. But it is only a question of time.

Iran is the next North Korea. Nuclear weapons are meant to be brandished, not used. It is the old MAD (Mutually Assured Destruction) doctrine.

But such deterrence requires the wherewithal of a second strike. Only Russia, China, and North Korea can groom Iran and bring it to this stage. Nuclear technology transfers between these countries are already taking place, swapped against Iranian-manufactured missiles and drones.

Once Iran is nuclear, the conflict between Shia Islam and the Sunni brand (aided and abetted by Israel) will erupt in full force.

As Iran attempts to consolidate a Shia bloc in a ring of fire around itself, Sunni rivals are liable to develop nuclear weapons of their own to counter this metastasis. Iran's proxies, resuscitated and better equipped than ever will be active participants in this geopolitical Great Game.

Israel can play a pivotal role in this scramble for hegemony if it only were to give up on its own imperial dreams. Israel's intelligence services are still superior in the region and so is its air force. Offshore drilling for oil, desalinated water, and hi-tech are Israeli fortes much in demand among its neighbors. It is a natural ally to countries like Egypt, Jordan, and Saudi Arabia.

Israel is also still a US asset despite the increasing costs associated with this alliance as far as America is concerned. Iran represents a major regional and even global threat to the West,

now that it is a member of the military-economic axis which comprises Russia and China. Barring a direct US intervention, only Israel can contain Iran, even a nuclear one.

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The Signalling of War: Ukraine, Israel

By: Sam Vaknin, Brussels Morning

War is not merely or even mainly about slaughtering and conquering. It is more often a form of signaling.

Iran's recent volley of missiles directed at Israel and Ukraine's invasion of the Kursk region in the Russian Federation are prime examples of the latter.

No tactical or strategic war aims could possibly be served by these two maneuvers.

To overwhelm the combined US-Israeli defenses, Iran would have needed to dispatch many more than 180 projectiles. The Kursk invasion is but a needle prick in Russia's side.

But both operations contained important messages:

Iran is only partly deterred by Israel and is not loth to escalate every time the "Zionist enemy" ostentatiously violates its sovereignty and territorial integrity.

Putin is Russia's only real vulnerability and humiliating him by breaching its borders is in itself a strategic coup.

In wars of attrition – and both these campaigns have long come to resemble the trench warfare of 110 years ago – signaling is everything. Territorial advances are halting and glacial. Decimating the enemy is out of question. What is left to accomplish is impressions management, a form of psychological warfare.

The idea is to ultimately mobilize the hinterland against the conflict and against its own leaders. Both Putin and Netanyahu are ripe for the plucking. The former is becoming increasingly less popular among the venal elites, the latter is virulently hated by half the population of his country and by most of the rest of the world.

Raining missiles on Israel, however inefficaciously, may alienate the Israelis and turn them against the prospect of a devastating Armageddon. Taking over Russian territory and engulfing its infrastructure in flames may open the eyes of the Russian people to finally grasp what a hapless psychopathic thug Putin is.

In both cases, there is the anticipation of a pacifist revolution against the leadership. It is not a forlorn hope. History teaches us that this course of action could be fruitful: recall the Russian Revolution, for example.

Only when signaling fails spectacularly does a no holds barred warfare begin. This is what happened when appeasement failed with Hitler.

Should Israel use the opportunity to massively retaliate against the recent Iranian gesture or should Putin resort to tactical nuclear weapons in his "special military operation", all hell will break loose.

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Shadow Libraries: The Future?

By: Sam Vaknin, Brussels Morning

"In this digital age, the custodians of published works are at the center of a global copyright controversy that casts them as villains simply for doing their job: letting people borrow books for free."

(ZDNet quoted by "Publisher's Lunch on July 13, 2001)

In 2024, the Internet Archive has been forced to remove 500,000 books from its online lending library on the grounds of the infringement of the copyrights of major publishing houses. This was the latest example in the war against "shadow libraries" such as Library Genesis and Sci-Hub.

Shadow libraries are online repositories of digitized contents that usually reside behind paywalls or are subject to stringent and punitive copyrights and geolocation content control.

Some shadow libraries engage in outright illegal activities and are mirrored on multiple domains as they provide access via torrents or the Tor network. It is a form of illegal, black, or guerilla open access.

Shadow libraries came to being and then thrived because traditional libraries have failed and rapacious publishers and content aggregators have taken over the dissemination and preservation of research. In contrast, shadow libraries are free, convenient to use, often the only available option in many locations, preserve contents and prevent digital decay

It is amazing that the traditional archivists of human knowledge - the libraries - failed so spectacularly to ride the tiger of the Internet, that epitome and apex of knowledge creation and distribution.

At first, libraries, the inertial repositories of printed matter, were overwhelmed by the rapid pace of technology and by the ephemeral and anarchic content it spawned. They were reduced to providing access to dull card catalogues and unimaginative collections of web links. The more daring added online exhibits and digitized collections. A typical library web site is still comprised of static representations of the library's physical assets and a few quasi-interactive services.

This tendency - by both publishers and libraries - to inadequately and inappropriately pour old wine into new vessels is what caused the initial furor over e-books.

The lending of e-books to patrons appears to be a natural extension of the classical role of libraries: physical book lending. Libraries sought also to extend their archival functions to e-books.

But librarians failed to grasp the essential and substantive differences between the two formats.

E-books can be easily, stealthily, and cheaply copied, for instance. The source of the e-book - scanned printed titles, or converted digital files - is immaterial and irrelevant. The minute a title becomes an e-book, copyright violations are a real and present danger.

Moreover, e-books are not a tangible product. "Lending" an e-book - is tantamount to copying an e-book. In other words, e-books are not books at all. They are software products. Libraries have pioneered digital collections (as they have other information technologies throughout history) and are still the main promoters of e-publishing. But now they are at risk of becoming piracy portals.

Solutions are, appropriately, being borrowed from the software industry. NetLibrary has granted multiple user licences to a university library system. Such licences allow for unlimited access and are priced according to the number of the library's patrons, or the number of its reading devices and terminals. Another possibility is to implement the shareware model - a trial period followed by a purchase option or an expiration, a-la Rosetta's expiring e-book.

Distributor Baker & Taylor have unveiled at the ALA a prototype e-book distribution system jointly developed by ibooks and Digital Owl. It was sold to libraries by B&T's Informata division and Reciprocal.

The annual subscription for use of the digital library comprises "a catalog of digital content, brandable pages and web based tools for each participating library to customize for their patrons. Patrons of participating libraries will then be able to browse digital content online, or download and check out the content they are most interested in. Content may be checked out for an extended period of time set by each library, including checking out eBooks from home." Still, it seems that B&T's approach is heavily influenced by software licencing ("one copy one use").

But there is an underlying, fundamental incompatibility between the Internet and the library. They are competitors. One vitiates the other. Free Internet access and e-book reading devices in libraries notwithstanding - the Internet, unless harnessed and integrated by libraries, threatens their very existence by depriving them of patrons. Libraries, in turn, threaten the budding software industry we, misleadingly, call "e-publishing".

There are major operational and philosophical differences between physical and virtual libraries. The former are based on the tried and proven technology of print. The latter on the chaos we know as cyberspace and on user-averse technologies developed by geeks and nerds, rather than by marketers, users, and librarians.

Physical libraries enjoy great advantages, not the least being their habit-forming head start (2,500 years of first mover advantage). Libraries are hubs of social interaction and entertainment (the way cinemas used to be).

Libraries have catered to users' reference needs for centuries (and, lately, through Selective Dissemination of Information, or SDI). The war is by no means decided. "Progress" may yet consist of the assimilation of hi-tech gadgets by lo-tech libraries. It may turn out to be convergence at its best, as librarians become computer savvy - and computer types create knowledge and disseminate it.

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USA's Hobson's Choice: Personality Cult vs. Ideological Tyranny

By: Sam Vaknin, Brussels Morning

In the forthcoming elections in the USA, the electorate faces a choice between a personality cult and an ideological tyranny.

Personality cults such as Trump's come to an abrupt end with the demise or assassination of the adulated leader. Their outcomes and impacts are easily reversible.

Ideological tyrannies – namely both the far Left and the far Right - are far more insidious and all-pervasive and way more difficult to eradicate.

I. Personality Cults

"(The leader's) intellectual acts are strong and independent even in isolation and his will need no reinforcement from others ... (He) loves no one but himself, or other people only insofar as they serve his needs."

Freud, Sigmund, "Group Psychology and the Analysis of the Ego"

"It was precisely that evening in Lodi that I came to believe in myself as an unusual person and became consumed with the ambition to do the great things that until then had been but a fantasy."

(Napoleon Bonaparte, "Thoughts")

"They may all e called Heroes, in as much as they have derived their purposes and their vocation not from the calm regular course of things, sanctioned by the existing order, but from a concealed fount, from that inner Spirit, still hidden beneath the surface, which impinges on the outer world as a shell and bursts it into pieces - such were Alexander, Caesar, Napoleon ... World-historical men - the Heroes of an epoch - must therefore be recognized as its clear-sighted ones: their deeds, their words are the best of their time ... Moral claims which are irrelevant must not be brought into collision with World-historical deeds ... So mighty a form must trample down many an innocent flower - crush to pieces many an object in its path."

(G.W.F. Hegel, "Lectures on the Philosophy of History")

"Such beings are incalculable, they come like fate without cause or reason, inconsiderately and without pretext. Suddenly they are here like lightning too terrible, too sudden, too compelling and too 'different' even to be hated ... What moves them is the terrible egotism of the artist of the brazen glance, who knows himself to be justified for all eternity in his 'work' as the mother is justified in her child ...

In all great deceivers a remarkable process is at work to which they owe their power. In the very act of deception with all its preparations, the dreadful voice, expression, and gestures,

they are overcome by their belief in themselves; it is this belief which then speaks, so persuasively, so miracle-like, to the audience."

(Friedrich Nietzsche, "The Genealogy of Morals")

"He knows not how to rule a kingdom, that cannot manage a province; nor can he wield a province, that cannot order a city; nor he order a city, that knows not how to regulate a village; nor he a village, that cannot guide a family; nor can that man govern well a family that knows not how to govern himself; neither can any govern himself unless his reason be lord, will and appetite her vassals; nor can reason rule unless herself be ruled by God, and be obedient to Him."

(Hugo Grotius)

The narcissistic or psychopathic leader is the culmination and reification of his period, culture, and civilization. He is likely to rise to prominence in narcissistic societies. The leader's mental health pathologies resonate with the anomies of his society and culture ("psychopathological resonance".) The leader and the led form a self-enhancing and self-reinforcing feedback loop, a dyad of mirrored adoration and reflected love. By elevating and idealizing their "Fuehrer", the mob actually elevates and idealizes itself and the leader's harnessed ochlocracy; in the "Duce's" ascendance they find hope, in his manifest illness – curative solace and a legitimation of their own collective insanity. The dictator himself equates being elected – however patently unfairly – with being chosen by the transcendental forces of the gods and history. His is a manifest destiny, his exceptionalism - the nation's own.

The malignant narcissist invents and then projects a false, fictitious, self for the world to fear, or to admire. He maintains a tenuous grasp on reality to start with and this is further exacerbated by the trappings of power. The narcissist's grandiose self-delusions and fantasies of omnipotence and omniscience are supported by real life authority and the narcissist's predilection to surround himself with obsequious sycophants.

The leader's personal-intimate life and persona may be utterly different to his political-public ones. It is an unsettling Dr. Jekyll and Mr. Hyde effect. In private, the narcissistic-psychopathic leader may be avuncular, empathic, sentimental, helpful, dull, bourgeois, mediocre, middling, sickly, fussy, aloof, or friendly. But, he is at great pains to conceal these attributes from the public.

The narcissist's personality is so precariously balanced that he cannot tolerate even a hint of criticism and disagreement. Most narcissists are paranoid and suffer from ideas of reference (the delusion that they are being mocked or discussed when they are not). Thus, narcissists often regard themselves as "victims of persecution".

The narcissistic leader fosters and encourages a personality cult with all the hallmarks of an institutional religion: priesthood, rites, rituals, temples, worship, catechism, mythology. The

leader is this religion's ascetic saint. He monastically denies himself earthly pleasures (or so he claims) in order to be able to dedicate himself fully to his calling.

The narcissistic leader is a monstrously inverted Jesus, sacrificing his life and denying himself so that his people - or humanity at large - should benefit. By surpassing and suppressing his humanity, the narcissistic leader became a distorted version of Nietzsche's "superman".

Many narcissistic and psychopathic leaders are the hostages of self-imposed rigid ideologies. They fancy themselves Platonic "philosopher-kings". Lacking empathy, they regard their subjects as a manufacturer does his raw materials, or as the abstracted collateral damage in vast historical processes (to prepare an omelet, one must break eggs, as their favorite saying goes).

But being a-human or super-human also means being a-sexual and a-moral.

In this restricted sense, narcissistic leaders are post-modernist and moral relativists. They project to the masses an androgynous figure and enhance it by engendering the adoration of nudity and all things "natural" - or by strongly repressing these feelings. But what they refer to as "nature" is not natural at all.

The narcissistic leader invariably proffers an aesthetic of decadence and evil carefully orchestrated and artificial - though it is not perceived this way by him or by his followers. Narcissistic leadership is about reproduced copies, not about originals. It is about the manipulation of symbols - not about veritable atavism or true conservatism.

In short: narcissistic leadership is about theatre, not about life. To enjoy the spectacle (and be subsumed by it), the cultish leader demands the suspension of judgment, and the attainment of depersonalization and de-realization. Catharsis is tantamount, in this narcissistic dramaturgy, to self-annulment.

Narcissism is nihilistic not only operationally, or ideologically. Its very language and narratives are nihilistic. Narcissism is conspicuous nihilism - and the cult's leader serves as a role model, annihilating the Man, only to re-appear as a pre-ordained and irresistible force of nature.

Narcissistic leadership often poses as a rebellion against the "old ways": against the hegemonic culture, the upper classes, the established religions, the superpowers, the corrupt order. Narcissistic movements are puerile, a reaction to narcissistic injuries inflicted upon a narcissistic (and rather psychopathic) toddler nation-state, or group, or upon the leader.

Minorities or "others" - often arbitrarily selected - constitute a perfect, easily identifiable, embodiment of all that is "wrong". They are accused of being old, of being eerily disembodied, cosmopolitan, a part of the establishment, of being "decadent". They are hated on religious and socio-economic grounds, or because of their race, sexual orientation, or origin. They are different, they are narcissistic (they feel and act as morally superior), they are everywhere, they are defenceless, they are credulous, they are adaptable (and thus can be

co-opted to collaborate in their own destruction). They are the perfect hate figure, a foil. Narcissists thrive on hatred and pathological envy.

This is precisely the source of the fascination with Hitler, diagnosed by Erich Fromm - together with Stalin - as a malignant narcissist. He was an inverted human. His unconscious was his conscious. He acted out our most repressed drives, fantasies, and wishes.

Hitler provided us with a glimpse of the horrors that lie beneath the veneer, the barbarians at our personal gates, and what it was like before we invented civilization. Hitler forced us all through a time warp and many did not emerge. He was not the devil. He was one of us. He was what Arendt aptly called the banality of evil. Just an ordinary, mentally disturbed, failure, a member of a mentally disturbed and failing nation, who lived through disturbed and failing times. He was the perfect mirror, a channel, a voice, and the very depth of our souls.

The narcissistic leader prefers the sparkle and glamour of well-orchestrated illusions to the tedium and method of real accomplishments. His reign is all smoke and mirrors, devoid of substance, consisting of mere appearances and mass delusions.

In the aftermath of his regime - the narcissistic leader having died, been deposed, or voted out of office - it all unravels. The tireless and constant prestidigitation ceases and the entire edifice crumbles. What looked like an economic miracle turns out to have been a fraud-laced bubble. Loosely-held empires disintegrate. Laboriously assembled business conglomerates go to pieces. "Earth shattering" and "revolutionary" scientific discoveries and theories are discredited. Social experiments end in mayhem.

As their end draws near, narcissistic-psychopathic leaders act out, lash out, erupt. They attack with equal virulence and ferocity compatriots, erstwhile allies, neighbors, and foreigners.

It is important to understand that the use of violence must be ego-syntonic. It must accord with the self-image of the narcissist. It must abet and sustain his grandiose fantasies and feed his sense of entitlement. It must conform with the narcissistic narrative.

All populist, charismatic leaders believe that they have a "special connection" with the "people": a relationship that is direct, almost mystical, and transcends the normal channels of communication (such as the legislature or the media). Thus, a narcissist who regards himself as the benefactor of the poor, a member of the common folk, the representative of the disenfranchised, the champion of the dispossessed against the corrupt elite, is highly unlikely to use violence at first.

The pacific mask crumbles when the narcissist has become convinced that the very people he purported to speak for, his constituency, his grassroots fans, the prime sources of his narcissistic supply, have turned against him. At first, in a desperate effort to maintain the fiction underlying his chaotic personality, the narcissist strives to explain away the sudden reversal of sentiment. "The people are being duped by (the media, big industry, the military, the elite, etc.)", "they don't really know what they are doing", "following a rude awakening, they will revert to form", etc.

When these flimsy attempts to patch a tattered personal mythology fail, the narcissist is injured. Narcissistic injury inevitably leads to narcissistic rage and to a terrifying display of unbridled aggression. The pent-up frustration and hurt translate into devaluation. That which was previously idealized is now discarded with contempt and hatred.

This primitive defense mechanism is called "splitting". To the narcissist, things and people are either entirely bad (evil) or entirely good. He projects onto others his own shortcomings and negative emotions, thus becoming a totally good object. A narcissistic leader is likely to justify the butchering of his own people by claiming that they intended to assassinate him, undo the revolution, devastate the economy, harm the nation or the country, etc.

The "small people", the "rank and file", the "loyal soldiers" of the narcissist - his flock, his nation, his employees - they pay the price. The disillusionment and disenchantment are agonizing. The process of reconstruction, of rising from the ashes, of overcoming the trauma of having been deceived, exploited and manipulated - is drawn-out. It is difficult to trust again, to have faith, to love, to be led, to collaborate. Feelings of shame and guilt engulf the erstwhile followers of the narcissist. This is his sole legacy: a massive post-traumatic stress disorder (PTSD).

II. Ideological Tyrannies

Communism, Fascism, Nazism, and Religious Fundamentalism are as utopian as the classical Idea of Progress, which is most strongly reified by Western science, capitalism, freemarketry, and “liberal”, “progressive” “democracy”.

All these are actually **illiberal** ideologies which firmly espouse a linear view of history: Man progresses by accumulating knowledge and wealth and by constructing ever-improving polities.

Similarly, the classical, all-encompassing, idea of progress is perceived to be a "Law of Nature" with human jurisprudence and institutions as both its manifestations and descriptors. Thus, all ideas of progress are pseudo-scientific.

All these are totalitarian ideologies which regard individual tragedies and sacrifices as the inevitable lubricant of the inexorable March Forward of the species.

Yet, they redefine "humanity" (who is human) to exclude certain groups of people. Communism embraces the Working Class (Proletariat) but not the Bourgeoisie, Nazism promotes one Volk but denigrates and annihilates others, Fascism bows to the Collective but viciously persecutes dissidents, Religious Fundamentalism posits a chasm between believers and infidels. Liberal democracy is victimhood-based. It involves virtue signalling and it aggresses against countervailing speech (cf. woke movements and cancel culture).

In these intolerant ideologies, the exclusion of certain reviled groups of people is both a prerequisite for the operation of the "Natural Law of Progress" and an integral part of its motion forward.

The moral and spiritual obligation of "real" Man to future generations is to "unburden" the Law, to make it possible for it to operate smoothly and in optimal conditions, with all hindrances (read: undesirables) removed (read: murdered or at least silenced).

All these ideologies subvert modernity (in other words, Progress itself) by using its products (technology) to exclude or to kill "outsiders", all in the name of servicing "real" humanity and bettering its lot.

Liberal democracy has been intermittently guilty of some additional sins.

The same deranged logic extends to the construction and maintenance of nuclear weapons by countries like the USA, the UK, France, and Israel: they are intended to protect "good" humanity against "bad" people (e.g., Communists during the Cold war, Arabs, or failed states such as Iran).

Even climate change is a symptom of such exclusionary thinking: the rich feel that they have the right to tax the "lesser" poor by polluting our common planet and by disproportionately exhausting its resources.

The fact is that, at least since the 1920s, the very existence of Mankind is being recurrently threatened by exclusionary ideas of progress. Even Colonialism, which predated modern ideologies, was inclusive and sought to "improve" the Natives" and "bring them to the White Man's level" by assimilating or incorporating them in the culture and society of the colonial power. This was the celebrated (and then decried) "White Man's Burden".

That we no longer accept our common fate and the need to collaborate to improve our lot is nothing short of suicidal.

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Postmodern Monopolies and Oligopolies Good for Consumers, Economy

By: Sam Vaknin, Brussels Morning

Anti-monopoly legislation and regulations around the world are antiquated, based as they are on 19th century realities of the late phase of the industrial revolution.

In our post-modern age, monopolies are based on brands, not on capital assets and they emerge through fierce competition, not by stifling it.

All contemporary monopolies are superior in some way. They provide a vastly better user experience, or a cheap but reliable product or service, or an all-inclusive marketplace, or a combination of the above.

Moreover: most of these monopolies started off late in the game and have had to face entrenched formidable competitors. They did not possess a first mover advantage and relied entirely on network effects. Consumers adore them and want them to survive and thrive.

This allegiance and loyalty doubly apply to oligopolies.

Two decades ago, the Wall Street Journal published an elegiac list:

"Twenty (forty – SV) years ago, cable television was dominated by a patchwork of thousands of tiny, family-operated companies. Today, a pending deal would leave three companies in control of nearly two-thirds of the market. In 1990, three big publishers of college textbooks accounted for 35% of industry sales. Today they have 62% ... Five titans dominate the (defense) industry, and one of them, Northrop Grumman ... made a surprise (successful) $5.9 billion bid for (another) TRW ... In 1996, when Congress deregulated telecommunications, there were eight Baby Bells. Today there are four, and dozens of small rivals are dead. In 1999, more than 10 significant firms offered help-wanted Web sites. Today, three firms dominate."

Mergers, business failures, deregulation, globalization, technology, dwindling and more cautious venture capital, avaricious managers and investors out to increase share prices through a spree of often ill-thought acquisitions all lead inexorably to the congealing of industries into a few suppliers.

Such market formations are known as oligopolies. Oligopolies encourage customers to collaborate in oligopsonies and these, in turn, foster further consolidation among suppliers, service providers, and manufacturers.

Market purists consider oligopolies - not to mention cartels - to be as villainous as monopolies. Oligopolies, they intone, restrict competition unfairly, retard innovation, charge rent and price their products higher than they could have in a perfect competition free market with multiple participants. Worse still, oligopolies are going global.

But how does one determine market concentration to start with?

The Herfindahl-Hirschmann index squares the market shares of firms in the industry and adds up the total. But the number of firms in a market does not necessarily impart how low - or high - are barriers to entry. These are determined by the structure of the market, legal and bureaucratic hurdles, the existence, or lack thereof of functioning institutions, and by the possibility to turn an excess profit.

The index suffers from other shortcomings. Often the market is difficult to define. Mergers do not always drive prices higher. University of Chicago economists studying Industrial Organization - the branch of economics that deals with competition - have long advocated a shift of emphasis from market share to - usually temporary - market power. Influential antitrust thinkers, such as Robert Bork, recommended to revise the law to focus solely on consumer welfare.

These - and other insights - were incorporated in a theory of market contestability. Contrary to classical economic thinking, monopolies and oligopolies rarely raise prices for fear of attracting new competitors, went the new school. This is especially true in a "contestable" market - where entry is easy and cheap.

An Oligopolistic firm also fears the price-cutting reaction of its rivals if it reduces prices, goes the Hall, Hitch, and Sweezy theory of the Kinked Demand Curve. If it were to raise prices, its rivals may not follow suit, thus undermining its market share. Stackleberg's amendments to Cournot's Competition model, on the other hand, demonstrate the advantages to a price setter of being a first mover.

In "Economic assessment of oligopolies under the Community Merger Control Regulation, in European Competition law Review (Vol 4, Issue 3), Juan Briones Alonso writes:

"At first sight, it seems that ... oligopolists will sooner or later find a way of avoiding competition among themselves, since they are aware that their overall profits are maximized with this strategy. However, the question is much more complex. First of all, collusion without explicit agreements is not easy to achieve. Each supplier might have different views on the level of prices which the demand would sustain, or might have different price preferences according to its cost conditions and market share. A company might think it has certain advantages which its competitors do not have, and would perhaps perceive a conflict between maximising its own profits and maximizing industry profits.

Moreover, if collusive strategies are implemented, and oligopolists manage to raise prices significantly above their competitive level, each oligopolist will be confronted with a conflict between sticking to the tacitly agreed behaviour and increasing its individual profits by 'cheating' on its competitors. Therefore, the question of mutual monitoring and control is a key issue in collusive oligopolies."

Monopolies and oligopolies, went the contestability theory, also refrain from restricting output, lest their market share be snatched by new entrants. In other words, even monopolists

behave as though their market was fully competitive, their production and pricing decisions and actions constrained by the "ghosts" of potential and threatening newcomers.

In a CRIEFF Discussion Paper titled "From Walrasian Oligopolies to Natural Monopoly - An Evolutionary Model of Market Structure", the authors argue that:

"Under decreasing returns and some fixed cost, the market grows to 'full capacity' at Walrasian equilibrium (oligopolies); on the other hand, if returns are increasing, the unique long run outcome involves a profit-maximising monopolist."

While intellectually tempting, contestability theory has little to do with the rough and tumble world of business. Contestable markets simply do not exist. Entering a market is never cheap, nor easy. Huge sunk costs are required to counter the network effects of more veteran products as well as the competitors' brand recognition and ability and inclination to collude to set prices.

Victory is not guaranteed, losses loom constantly, investors are forever edgy, customers are fickle, bankers itchy, capital markets gloomy, suppliers beholden to the competition. Barriers to entry are almost always formidable and often insurmountable.

In the real world, tacit and implicit understandings regarding prices and competitive behavior prevail among competitors within oligopolies. Establishing a reputation for collusive predatory pricing deters potential entrants. And a dominant position in one market can be leveraged into another, connected or derivative, market.

But not everyone agrees. Ellis Hawley believed that industries should be encouraged to grow because only size guarantees survival, lower prices, and innovation.

Louis Galambos, a business historian at Johns Hopkins University, published a 1994 paper titled "The Triumph of Oligopoly". In it, he strove to explain why firms and managers - and even consumers - prefer oligopolies to both monopolies and completely free markets with numerous entrants.

Oligopolies, as opposed to monopolies, attract less attention from trustbusters. Quoted in the Wall Street Journal on March 8, 1999, Galambos wrote: "Oligopolistic competition proved to be beneficial ... because it prevented ossification, ensuring that managements would keep their organizations innovative and efficient over the long run."

In his tome "The Free-Market Innovation Machine - Analysing the Growth Miracle of Capitalism", William Baumol of Princeton University, concured. He daringly argued that productive innovation is at its most prolific and qualitative in oligopolistic markets.

Because firms in an oligopoly characteristically charge above-equilibrium (i.e., high) prices - the only way to compete is through product differentiation. This is achieved by constant innovation - and by incessant advertising.

Baumol maintained that oligopolies are the real engines of growth and higher living standards and urges antitrust authorities to leave them be. Lower regulatory costs, economies of scale

and of scope, excess profits due to the ability to set prices in a less competitive market - allow firms in an oligopoly to invest heavily in research and development. A new drug costs c. $800 million to develop and get approved, according to Joseph DiMasi of Tufts University's Center for the Study of Drug Development, quoted in The wall Street Journal.

In a paper titled "If Cartels Were Legal, Would Firms Fix Prices", implausibly published by the Antitrust Division of the US Department of Justice in 1997, Andrew Dick demonstrated, counterintuitively, that cartels are more likely to form in industries and sectors with many producers. The more concentrated the industry - i.e., the more oligopolistic it is - the less likely were cartels to emerge.

Cartels are conceived in order to cut members' costs of sales. Small firms are motivated to pool their purchasing and thus secure discounts. Dick draws attention to a paradox: mergers provoke the competitors of the merging firms to complain. Why do they act this way?

Mergers and acquisitions enhance market concentration. According to conventional wisdom, the more concentrated the industry, the higher the prices every producer or supplier can charge. Why would anyone complain about being able to raise prices in a post-merger market?

Apparently, conventional wisdom is wrong. Market concentration leads to price wars, to the great benefit of the consumer. This is why firms find the mergers and acquisitions of their competitors worrisome. America's soft drink market is ruled by two firms - Pepsi and Coca-Cola. Yet, it has been the scene of ferocious price competition for decades.

"The Economist", in its review of the paper, summed it up neatly:

"The story of America's export cartels suggests that when firms decide to co-operate, rather than compete, they do not always have price increases in mind. Sometimes, they get together simply in order to cut costs, which can be of benefit to consumers."

The very atom of antitrust thinking - the firm - has changed in the last half century. No longer hierarchical and rigid, business resembles self-assembling, nimble, ad-hoc networks of entrepreneurship superimposed on ever-shifting product groups and profit and loss centers.

Competition used to be extraneous to the firm - now it is commonly an internal affair among autonomous units within a loose overall structure. This is how Jack "neutron" Welsh deliberately structured General Electric. AOL-Time Warner hosts many competing units, yet no one ever instructs them either to curb this internecine competition, to stop cannibalizing each other, or to start collaborating synergistically.

The few mammoth agencies that rule the world of advertising now host a clutch of creative boutiques comfortably ensconced behind Chinese walls. Such outfits often manage the accounts of competitors under the same corporate umbrella.

Most firms act as intermediaries. They consume inputs, process them, and sell them as inputs to other firms. Thus, many firms are concomitantly consumers, producers, and suppliers.

In a paper published titled "Productive Differentiation in Successive Vertical Oligopolies", that authors studied:

"An oligopoly model with two brands. Each downstream firm chooses one brand to sell on a final market. The upstream firms specialize in the production of one input specifically designed for the production of one brand, but they also produce he input for the other brand at an extra cost. (They concluded that) when more downstream brands choose one brand, more upstream firms will specialize in the input specific to that brand, and vice versa. Hence, multiple equilibria are possible and the softening effect of brand differentiation on competition might not be strong enough to induce maximal differentiation" (and, thus, minimal competition).

Both scholars and laymen often mix their terms. Competition does not necessarily translate either to variety or to lower prices. Many consumers are turned off by too much choice ("paradox of choice"). Lower prices sometimes deter competition and new entrants. A multiplicity of vendors, retail outlets, producers, or suppliers does not always foster competition. And many products have umpteen substitutes. Consider films - cable TV, satellite, the Internet, cinemas, streaming services, video rental shops, all offer the same service: visual content delivery.

And then there is the issue of technological standards. It is incalculably easier to adopt a single worldwide or industry-wide standard in an oligopolistic environment. Standards are known to decrease prices by cutting down R&D expenditures and systematizing components.

Or, take innovation. It is used not only to differentiate one's products from the competitors' - but to introduce new generations and classes of products. Only firms with a dominant market share have both the incentive and the wherewithal to invest in R&D and in subsequent branding and marketing.

But oligopolies in deregulated markets have sometimes substituted price fixing, extended intellectual property rights, and competitive restraint for market regulation. Still, Schumpeter believed in the faculty of "disruptive technologies" and "destructive creation" to check the power of oligopolies to set extortionate prices, lower customer care standards, or inhibit competition.

Google usurped Alta Vista. Linux threatened Windows for a while. Opera nibbled at Microsoft's Internet Explorer which unseated Netscape. Facebook put paid to MySpace, Microsoft Word to Lotus. Amazon drubbed traditional booksellers like Barnes and Noble with its 2400 franchises. eBay thrashes Amazon. Bell was forced by Covad Communications to implement its own technology, the DSL broadband phone line.

Barring criminal behavior, there is little that oligopolies can do to defend themselves against these forces. They can acquire innovative firms, intellectual property, and talent. They can form strategic partnerships. But the supply of innovators and new technologies is infinite - and the resources of oligopolies, however mighty, are finite. The market is stronger than any of its participants, regardless of the hubris of some, or the paranoia of others.

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Authoritarianism Scale

By: Sam Vaknin, Brussels Morning

Like cancer, authoritarianism is a spectrum with clear and often ineluctable progression of egregiousness from one stage to another.

Stage I

Institutions: compromised, subject to political interference and pressures, but largely still functional.

Freedom of speech and freedom of the media: intact, but self-censorship abounds, induced by amorphous, fuzzy fear and gaslighting.

Politics: dominated by one party with a nepotistic-cronyist network of patronage and a loyalist, sycophantic clientele. Active opposition parties compete in semi-fair elections.

Personal freedoms: unhindered.

Private sector: rent –seeking, subject to tacit and subtle extortion by well-connected political hacks.

Rule of law: opportunistically subverted by the ruling elites and structures, but otherwise prevalent. Corruption limited to the upper echelons of state and ruling parties.

Stage II

Institutions: compromised, subject to political interference and pressures, micro-managed and scripted, but still functional where no political or commercial interests are threatened.

Freedom of speech and freedom of the media: direct, coercive political intervention in editorial policy and hiring and firing decisions, rampant self-censorship, commercial co-opting of media owners and properties via governmental and state advertising budgets.

Politics: dominated by one party with a nepotistic-cronyist network of patronage and a loyalist, sycophantic clientele. Opposition parties face obstacles to proper functioning, limited access to the media, and compete in semi-fair elections.

Personal freedoms: unhindered, except when political interests are at stake. Reprisals against "disloyal, treasonous" behavior include detention and even "accidents".

Private sector: rent –seeking, subject to open extortion – sometimes via state institutions and the courts - by well-connected political hacks.

Rule of law: Constantly subverted and circumvented by the ruling elites and structures, but appearances to the contrary are scrupulously maintained. Corruption engulfs all organs of state and all members of the ruling parties.

Stage III

Institutions: dysfunctional and paralyzed, subject to pervasive political interference and pressures, micro-managed and scripted, even where no political or commercial interests are threatened.

Freedom of speech and freedom of the media: direct, coercive political intervention in editorial policy and hiring and firing decisions, rampant self-censorship, commercial co-opting of media owners and properties via governmental and state advertising budgets. Media are now supervised by "politruks" whose role is to ensure adherence to the party line.

Politics: dominated by one party with a nepotistic-cronyist network of patronage and a loyalist, sycophantic clientele. Opposition parties are actively obstructed, have no access to the media, and compete in mock elections (or boycott these altogether).

Personal freedoms: The conduct and opinions of individuals are extensively and massively monitored and logged, using the latest technology. Reprisals against "disloyal, treasonous" behavior include detention, workplace sanctions, and even "accidents".

Private sector: rent –seeking, subject to takeover via state institutions and the courts by well-connected political hacks and cronies ("oligarchs").

Rule of law: Completely subverted and circumvented by the ruling elites and structures, both substantively and procedurally. Corruption becomes a way of life for everyone.

Stage IV

Institutions: often replaced by impromptu or ad-hoc "institutions" under the control of the ruling class. The empty shells of previous institutions are dysfunctional and paralyzed, subject to pervasive political interference and pressures, micro-managed and scripted, even where no political or commercial interests are threatened.

Freedom of speech and freedom of the media: direct, coercive political intervention in editorial policy and hiring and firing decisions, rampant self-censorship, commercial co-opting of media owners and properties via governmental and state advertising budgets. Media are now supervised by "politruks" whose role is to ensure adherence to the party line. Many media are shuttered and access to alternative media, venues and distribution channels is restricted or abolished completely.

Politics: dominated by one party with a nepotistic-cronyist network of patronage and loyalist, sycophantic clientele. Puppet pseudo "opposition" parties are allowed to operate and compete in mock elections.

Personal freedoms: The conduct and opinions of individuals are extensively and massively monitored and logged, using the latest technology. Reprisals against "disloyal, treasonous" behavior include workplace sanctions, detention, and even "accidents" and assassinations.

Private sector: rent –seeking, subject to takeover via state institutions and the courts by the ruling parties, the state, or by well-connected political hacks and cronies ("oligarchs").

Rule of law: Completely subverted and circumvented by the ruling elites and structures, both substantively and procedurally. Corruption becomes a way of life for everyone. Legislation is erratic, ad-hoc, retroactive, and biased in favor of the ruling elites.

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Opting out of Democracy

By: Sam Vaknin, Brussels Morning

In a scene reminiscent of the 1930s, all over the world, both the ultra rich and the masses have been opting out of democracy in droves.

Rent-seeking billionaires have transformed themselves into Russian-style oligarchs embedded in insidious patronage networks around authoritarian figures such as Putin, Orban, and Trump.

These oligarchs provide the dictatorship with much needed funds, legitimacy, and clout as it concentrates economic resources in the hands of the few and dismantles institutions such as free press, the judiciary, and the rule of law.

The great unwashed have very little in common with these tycoons. Indeed, the interests of these two groups are diametrically opposed.

But both constituencies have one thing in common: a burning hatred of the educated, the establishment, and of democracy, erudition, and science.

These are all perceived as elitist and contemptuous of the common folks, their concerns and their values.

The revolt of the masses (Jose Ortega y Gasset) is a periodic cyclical event. The hoi polloi rise, pillage, then subside, recede into the background as a silent minority and allow the more skilled and trained to rebuild.

But this time is different. The dumb masses are empowered by both democracy turned ochlocracy and by technologies that amplify and disseminate their grievances, delusions, inanities, and aggression.

Their voices cannot by silenced. Even the aforementioned oligarchs and tyrants are typically nouveaux riches and as nescient, paranoid, and rapacious as the mob that spawned them.

This time there is no reversing the tide, confronting the self-destructive trend, and re-bottling the menacing genies. This time the game for humanity is truly over.

Recent trends such multiculturalism, political correctness, crowdsourcing (culling knowledge from the aggregated knowledge of computer users), woke and victimhood movements, inclusion and diversity are perceived as antidotes, counterweights, and forms of protest against the elitism and rationalism that led to the murderous authoritarian ideologies and regimes of the 20th century; to climate-changing pollution; and to the nuclear arsenal.

The “people” now reassert themselves by seizing control of functions hitherto reserved for the few. This backlash and technology-driven revolution are widely equated with the restoration of “true democracy”.

Yet, democracy is not the rule of the people. Democracy is government by periodically vetted representatives of the people. Democracy is not tantamount to a continuous expression of the popular will as it pertains to a range of issues.

Functioning and fair democracy is representative and not participatory. Participatory "people power" is mob rule (ochlocracy), not democracy.

Alas, while participatory democracy often leads to the elevation to power of demagogues and dictators, representative democracy invariably mutates into oligarchy and plutocracy.

It takes a lot of money (“campaign finance”) to get elected and this fact of political survival forces politicians, up for sempiternal re-election, to collude with the rich in a venal quid-pro-quo.

Granted, "people power" is often required in order to establish democracy where it is unprecedented. Revolutions - velvet, rose, and orange - recently introduced democracy in Eastern Europe, for instance. People power - mass street demonstrations - toppled obnoxious dictatorships from Iran to the Philippines and from Peru to Indonesia.

But once the institutions of democracy are in place and more or less functional, the people can and must rest. They should let their chosen delegates do the job they were elected to do. And they must hold their emissaries responsible and accountable in fair and free ballots once every two or four or five years.

Democracy and the rule of law are bulwarks against "the tyranny of the mighty (the privileged elites)". But they should not yield a "dictatorship of the weak".

As heads of the state in Latin America, Africa, Asia, and East Europe can attest, these vital lessons are lost on the dozens of "new democracies" the world over.

Many of these presidents and prime ministers, though democratically elected (multiply, in some cases), have fallen prey to enraged and vigorous "people power" movements in their countries.

And these breaches of the democratic tradition are not the only or most egregious ones.

The West boasts of the three waves of democratization that swept across the world since 1975.

Yet, in most developing countries and nations in transition, "democracy" is an empty word. It is pseudo-democracy.

Granted, the hallmarks of democracy are there: candidate lists, parties, election propaganda, a plurality of media, and voting. But its quiddity is absent.

The democratic principles are institutions are being consistently hollowed out and rendered mock by election fraud, exclusionary policies, cronyism, corruption, intimidation, and collusion with Western interests, both commercial and political.

The new "democracies" are thinly-disguised and criminalized plutocracies (recall the Russian oligarchs), authoritarian regimes (Central Asia and the Caucasus), or pupeteered heterarchies (Macedonia, Bosnia, and Iraq, to mention three recent examples).

The new "democracies" suffer from many of the same ills that afflict their veteran role models: murky campaign finances; venal revolving doors between state administration and private enterprise; endemic corruption, nepotism, and cronyism; self-censoring media; socially, economically, and politically excluded minorities; and so on.

But while this malaise does not threaten the foundations of the United States and France - it does imperil the stability and future of the likes of Ukraine, Serbia, and Moldova, Indonesia, Mexico, and Bolivia.

Many nations have chosen prosperity over democracy. Yes, the denizens of these realms can't speak their mind or protest or criticize or even joke lest they be arrested or worse - but, in exchange for giving up these trivial freedoms, they have food on the table, they are fully employed, they receive ample health care and proper education, they save and spend to their hearts' content.

In return for all these worldly and intangible goods (popularity of the leadership which yields political stability; prosperity; security; prestige abroad; authority at home; a renewed sense of nationalism, collective and community), the citizens of these countries forgo the right to be able to criticize the regime or change it once every four years. Many insist that they have struck a good bargain - not a Faustian one.

Worse still, the West has transformed the ideal of democracy into an ideology at the service of imposing a new colonial regime on its former colonies.

Spearheaded by the United States, the white and Christian nations of the West embarked with missionary zeal on a transformation, willy-nilly, of their erstwhile charges into profitable paragons of "democracy" and "good governance". Indeed, the roots of the current wave of pathological narcissism – in both individual and collective forms - can be traced back to the era of imperialistic colonialism when every peasant in the West became the governor of some territory and its natives or another.

And our is not the first time. Napoleon justified his gory campaigns by claiming that they served to spread French ideals throughout a barbarous world. Kipling bemoaned the "White Man's (civilizing) burden", referring specifically to Britain's role in India. Hitler believed himself to be the last remaining barrier between the hordes of Bolshevism and the West. The Vatican concurred with him.

This self-righteousness would have been more tolerable had the West actually meant and practiced what it preached, however self-delusionally.

Yet, in dozens of cases in the last 60 years alone, Western countries intervened, often by force of arms, to reverse and nullify the outcomes of perfectly legal and legitimate popular

and democratic elections. They did so because of economic and geopolitical interests and they usually installed rabid dictators in place of the deposed elected functionaries.

This hypocrisy cost them dearly. Few in the poor and developing world believe that the United States or any of its allies are out to further the causes of democracy, human rights, and global peace. The nations of the West have sown cynicism and they are reaping strife and terrorism in return.

Moreover, democracy is far from what it is made out to be. Confronted with history, the myth breaks down.

For instance, it is maintained by their chief proponents that democracies are more peaceful than dictatorships. But the two most belligerent countries in the world are, by a wide margin, Israel and the United States (closely followed by the United Kingdom). As of late, China is one of the most tranquil polities.

Democracies are said to be inherently stable (or to successfully incorporate the instability inherent in politics). This, too, is a confabulation. The Weimar Republic gave birth to Adolf Hitler and Italy had almost 50 governments in as many years.

The bloodiest civil wars in history erupted in Republican Spain and, seven decades earlier, in the United States. Czechoslovakia, the USSR, and Yugoslavia imploded upon becoming democratic, having survived intact for more than half a century as tyrannies.

Democracies are said to be conducive to economic growth (indeed, to be a prerequisite to such). But the fastest economic growth rates in history go to imperial Rome, Nazi Germany, Stalin's USSR, Putin's Russia, and post-Mao China.

Granted, democracy allows for the free exchange of information and, thus, renders markets more efficient and local-level bureaucracies less corrupt. This ought to be conducive to economic growth. But who says that the airing of municipal grievances and the exchange of non-political (business and economic) ideas cannot be achieved in a dictatorship?

Even in North Korea, only the Dear Leader is above criticism and reproach - all others: politicians, civil servants, party hacks, and army generals can become and are often the targets of grassroots criticism and purges.

The ruling parties in most tyrannies are umbrella organizations that represent the pluralistic interests of numerous social and economic segments and strata. For many people, this approximation of democracy - the party as a "Big Tent" - is a more than satisfactory solution to their need to be heard.

Finally, how represented is the vox populi even in established democracies?

In a democracy, people can freely protest and make their opinions known, no doubt. Sometimes, they can even change their representatives (though the rate of turnover in the US Congress in the last two decades is lower than it was in the last 20 years of the Politburo).

But is this a sufficient incentive (or deterrent)? The members of the various elites in Western democracies are mobile - they ceaselessly and facilely hop from one lucrative sinecure to another.

Lost the elections as a Senator? How about a multi-million dollar book contract, a consultant position with a firm you formerly oversaw or regulated, your own talk show on television, a cushy job in the administration?

The truth is that voters are powerless. The rich and mighty take care of their own. Malfeasance carries little risk and rarely any sanction. Western democracies are ossified bastions of self-perpetuating interest groups aided and abetted and legitimized by the ritualized spectacle that we call "elections". And don't you think the denizens of Africa and Asia and eastern Europe and the Middle East are blissfully unaware of this charade.

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Israel-Hizbullah: Ceasefire, Never Peace

By: Sam Vaknin, Brussels Morning

In the protracted skirmishes between Israel and Hizbullah, both parties have been damaged severely during the past 13 months. The situation for both of them is unsustainable.

Israel's north is emptied of its citizens who are now internally displaced and rockets keep raining on its cities and military facilities. Israel's economy is in tatters. It is a pariah state with its leader accused of being war criminals.

Hizbullah is bereft of its entire leadership, is in complete disarray, and is losing favor with the local population who are savaged by the IsraeIi air force and infantry. Both parties need to take a breather and regroup.

But the potential for an imminent resumption of hostilities is very high. Iran will not hesitate to use Hizbullah as a human shield in the face of retaliatory attacks by Israel. Hizbullah cannot abandon Hamas for long: its raison d'etre is the resistance to Israeli occupation. Israel cannot accept the very existence of Hizbullah, never mind how far it withdraws its troops into northern Lebanon. War will erupt again and soon.

There have been several such agreements and UN resolutions over the past three decades. None of them held water.

The core issue cannot be resolved: a majority of the Palestinians want their land back and demand the abolition of the state of Israel and the expulsion of most Israelis. Both Hamas and Hizbullah – backed by Iran – are committed to these long-term goals.

Israel must defend itself by military means because the alternative is extinction. The two state solution is a pipedream. So, the parties are doomed to repeated cycles of devastating violence until one of them ethnically cleanses the other. There will be no permanent peace until then.

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How Musk is X-ing the USA

By: Sam Vaknin, Brussels Morning

When an individual or a collective are hellbent on self-destruction, there is nothing you can do but stand back and wait to pick up the pieces, if any are left.

The way he did in Twitter, the apparently sadistic narcissist Elon Musk is plunging the federal administration in the USA headlong into a civil war.

But there might be a more sinister motive behind the recent developments.

Musk deployed ostentatious brutal force and threats in order to gain unmitigated access to the OPM (Office of Personnel Management), the GSA (General Services Administration), and BFS (Bureau of fiscal Service), among others. These are the agencies that handle all incoming and outgoing payments for the Federal bureaucracy.

Musk wants access to the Federal payment system because he intends to convert X (erstwhile Twitter) into a payment system (he has already signed up Visa). Such ingress will grant him irreversible advantages against competing banks and payment services like PayPal.

Some suggest that he wishes to coerce the entire government to use X as its payment platform.

But the far likelier scenario is that Musk plans to copy the data from the Treasury's computers that will allow him - alone among all his competitors - to tailor his financial products to minutely profiled target audiences.

The databases of the government contain all the relevant personal details and the financial transactions of both individuals and corporations, including Musk's business adversaries. You do the math.

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Africa's Future is in Its Past

By: Sam Vaknin, Brussels Morning

Africa has been failing to get its act together since the late 1950s. This enormous continent with its vast potential is always rife with internecine civil wars and election fraud.

But Africa is not unique and judging it too harshly is racist (a virulent point of view internalized even by African intellectuals). It took 1000 years for democracy to emerge in Europe. Until the 1940s, it resembled today's Africa.

Democracy was an elitist enterprise (just look at the Founding Fathers in the USA), not a populist one. Where the common folk were granted power, ochlocracies devolved into murderous tyrannies and exclusionary or xenophobic political creeds.

To this very day, regions of the world which have been colonized by European powers in the previous centuries – the Middle East, the Balkans, some parts of the Americas, even the USA - are indistinguishable from Africa in terms of dysfunction and mayhem.

The interference of the colonialists in the fabric of Africa was not limited to the redrawing of artificial boundaries, thus creating geopolitical cages for entrapped and mutually-hostile ethnicities or tribes.

These interlopers also imposed on the denizens of the tortured expanse ideologies and institutions which diverged from local traditions, histories, and institutions.

Democracy and checks and balances are European and Anglo-Saxon ideas, ill-suited for the African climate. They displaced indigenous practices such as customary village justice and imperial monarchies.

Like every transplant they were rejected by the body politic. Endemic corruption, pernicious politicization, and opacity (lack of transparency) followed suit.

Africa needs to revert to its roots, to go back to the drawing board, and to start from scratch. It needs to get rid and unshackle itself of all the colonial and post-colonial baggage through civil disobedience and the formation of parallel traditional or informal institutions, if need be.

The basic organizational units in Africa are the family or clan, the village, and the tribe or ethnicity – not the nation-state. Polities in the continent are informal, not formal.

The system of governance is communal and consensual (think Japan), not adversarial (think USA). Western democracy is a foreign concept which will never take hold or work there. Time to replace it with a homegrown variety.

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Trump's Gaza

By: Sam Vaknin, Brussels Morning

Trump has just proposed to take over Gaza, transfer its denizens to Arab states, and convert it into a scintillating riviera.

I never support ethnic cleansing.

But the facts are important here: only 30% of the population of Gaza are local. More than 70% are refugees from the erstwhile territory of Palestine (now the State of Israel).

Both Israel and Egypt regard Gaza as a serious security threat and a cesspool of Islamic extremism. Gaza is economically dependent on handouts from Israel, Egypt, and Qatar.

In short: Gaza is not a viable geopolitical, political, or economic entity.

Having said that, emptying Gaza of its current population is unthinkable because the territory is and has always been widely perceived as an integral part of the Palestinian state in a two-state solution to the Israeli-Palestinian conflict.

Trump's wild offer will undermine such an arrangement and will leave Israel as an occupying force in the West Bank indefinitely.

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USA: Democracy's Endgame

By: Sam Vaknin, Brussels Morning

College students are unleashed on smug intellectuals and a bloated bureaucracy. Elon Musk's DOGE? Yes – but also Mao's Cultural Revolution. Trump is probably using Musk to intimidate the "deep state" into submission.

It seems that democracy can never survive for long because it is self-contradictory: voters are barred from deciding to abolish it. In this sense, democracy is as totalitarian as any dictatorship. The electorate in the USA has decided to banish it all the same.

The USA is reverting to its roots. It was founded and governed by the billionaires of that era, rich slaveholders, in order to minimize taxation and (British) government interference. The USA was never meant to be a full-fledged democracy (remember the electoral college?)

Constitutional checks and balances is a counterfactual myth. On paper, these formidable obstacles to authoritarianism are insurmountable. In reality they are but a litter of paper tiger cubs.

If the US President decides to ignore the decisions of the Congress and the verdicts of the courts, there is nothing any of them can do about it. Impeachment is a joke, the power of the purse irrelevant. It is already a tyranny in all but name.

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USA: Pacific, Not Atlantic Power (Pace Ukraine and Biden)

By: Sam Vaknin, Brussels Morning

The USA has pivoted from Europe to the Pacific immediately in the aftermath of the Cold War.

The USA has always been a Pacific power. The Atlantic Alliance is a relic of an aberration in US history after the USA was forced to reluctantly intervene in Europe twice in the space of 30 years (1917-1945).

Trump wants to ally with Russia (and a rearmed Japan) against China. China and Russia are historical enemies. It would make sense to divide the two and thus rule the geopolitical scene, at least for a little while longer.

Ukraine will pay the price, initially. But so will Europe. There is a new global security architecture emerging from Trump's White House.

Trump accepts that all of Europe is a Russia's natural sphere of influence. His main focus is on China.

Ukraine is just the latest in a string of ostensible allies betrayed by the USA. When the USA made overtures to China in the 1970s, it sacrificed Taiwan. The EU and NATO are next in line for abandonment and so is Israel, way sooner than they all expect.

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The Post-Ukraine World of Trump's Realpolitik

By: Sam Vaknin, Brussels Morning

We are heading to a new military conflict, but not in Europe. It is inevitable that the USA and China will clash militarily whether directly or by proxy (a remilitarized Japan) and not only over Taiwan.

Whenever old empires and superpowers (such as the British Empire and the USA) decline and new ones (such as China) emerge, there is an inevitable period of geopolitical instability, friction, and conflict.

But, in the long run, Trump is a new proponent of Kissinger's realpolitik and this portends a long period of stability and peace worldwide.

The EU, NATO, and Europe are no longer relevant. Europe is poorer than the USA and is being overtaken by China. European militaries are a joke. Europe is heavily dependent on Russia for its energy needs. The USA reverted to its original, Pacific, orientation, forsaking the Atlantic interlude of 1917-2024.

As the USA withdraws from the Atlantic alliance, Europe will be forced to fit within the sphere of influence of Russia and to enhance economic ties with China.

What about the periphery of Europe: the Balkans, Georgia, etc.?

As I have been saying since 1996, the EU never had any intention of absorbing the impoverished and chaotic polities of the Balkans and of the periphery. Now, that Russia is emerging as the dominant power in Europe, these territories will become client regions under its sway. This bodes ill for the likes of Kosovo.

Vance's speech had nothing to do with "values": it was an attempt to boost the political fortunes of the far-right movements in Europe and the electoral chances of Conservative parties in countries like the UK. It was a typically American blatant and illegitimate interference in the internal affairs of other nation-states.

But this is as far as the USA will go. Now, it has way more urgent matters to attend to.

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Perfidious USA: Make Autocracy Great Again

By: Sam Vaknin, Brussels Morning

Perfidy is the essence of both empire and realpolitik. Perfidious Albion is now usurped by its former colony, the USA.

The self-righteous, sanctimonious, and virtue signaling USA has a lengthy history of betraying its most ardent and loyal allies, especially when they are in the throes of existential crises.

In the Yalta conference in 1945, President Roosevelt threw Churchill and the British Empire under the bus so as to curry favor with the demented and murderous Stalin.

In 1972, in the Shanghai Communique, President Nixon handed Taiwan over to the PRC (People's Republic of China). This abandonment was formalized in the 1979 Taiwan Relations Act.

In 2025, Trump is merely continuing the tradition of pivoting towards a major power (Russia) at the expense of a lesser one (Ukraine and, by extension, Europe). Israel, which haughtily considers itself immune to such machinations, is next.

Perfidy in war is considered a crime, but not in diplomacy where it is much admired and analyzed, if rarely lauded.

But the problems with disloyalty and backstabbing are myriad. They cause a cascade of desertions among erstwhile authentic allies. They rarely result in a long-term realignment beneficial to the traitor, and they diminish its moral capital.

In the long run, other players in the international scene assiduously avoid coalitions with the perfidious. Such shunning is a harbinger of decline and heralds the demise of great polities and empires.

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Attack on Iran – What's Next?

By: Sam Vaknin, Brussels Morning

Israel has finally attacked Iran. But why now?

There has been a qualitative shift in Iranian policy in the wake of the decimation of the leadership of its proxy in the Middle East, Hizbullah. Iran has made a strategic decision to manufacture nuclear weapons and the missile heads needed to carry and deliver them all the way to Israel. Iran ramped up its uranium enrichment and started to assemble the warheads. It denied access to IAEA inspectors. There was no way Israel could accept this existential risk.

There is also a rare window of opportunity to realize Israel's long-term goal of incapacitating Iran. Iran's air defenses have been largely taken down in a previous retaliatory Israeli strike in October 2024. Iran's long arms on Israel's borders are in extreme disarray and much weakened. There is a leadership vacuum in Iran, great social unrest, and it is in the throes of a massive economic crisis.

Israel is attempting to decapitate the military and nuclear leadership of Iran, but Iran is not Hizbullah. It is a regional power with great manpower depth and expertise (multiple replacements for each person taken out). Such targeted assassinations may delay the processes involved in the development of nuclear weapons, but not end or reverse them. Iran is destined to become a nuclear power and Israel better start getting used to the idea - the way India has accommodated itself to the nuclear ambitions of its bitter enemy, Pakistan.

So, what's next?

Iran is bound to retaliate with missiles and drones, but its response is likely to fall far short of its threats. Its air force is no match to the Israeli air force and its air defenses are ruined. Israel has very effective anti-missile defenses, though no real defenses against drones (no nation has such defenses, as Ukraine has demonstrated in its recent attack on Russia).

Sooner or later, as Israel continues to decimate Iran's military and nuclear facilities, Iran's retaliation will fizzle out and it will seek mediation in order to put a stop to the carnage. The US, Saudi Arabia, Oman, and Qatar (possibly with Russia and the EU) will then step in and broker a deal which will include the effective denuclearization of Iran. Of course, any such agreement is doomed to failure in the long-run, but in the short-run it will afford Iran some breathing space. Israel will have demonstrated once again that it is the sole superpower in the region and not to be trifled with.

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Macron's France Stirs The Palestinian Pot

By: Sam Vaknin, Brussels Morning

The French recognition of Palestine is a storm in a teapot. It is inevitable that a Palestinian state should be ultimately recognized, even by a post-Trump USA. Many international organizations and 147 of 193 of UN members already recognize it. More countries and territories recognize Palestine than recognize Kosovo.

The French recognition is a symbolic rebuke to the Netanyahu regime and its brutal policies against the Palestinians. It is an attempt to jumpstart the two-states solution. Most EU countries, perhaps with the exceptions of Germany and Hungary, have already recognized Palestine or will follow suit soon.

The French gesture is a gift to Netanyahu. It affirms his thesis – shared by the majority of Israelis in the wake of October 7 - that the world is out to destroy Israel and the Jews and impose a life-threatening unilateral solution on the Jewish state. It will allow Netanyahu and his far-right supporters to consolidate power, trample over the opposition and civil and human rights, and mobilize the base to make sure that a two-state solution becomes non-feasible (for example, by increasing the pace and extent of settlements in the West Bank).

The US under Trump is already leveraging a campaign against antisemitism to stifle dissent at home. The French grandstanding will legitimize the distancing of the USA from the EU and further military and geopolitical efforts to render the Middle East American under a Pax Americana with Israel as the exclusive regional hegemon. Ultimately, this stratagem will drag Turkey, Egypt, the Gulf States, and Saudi Arabia into the game, creating an anti-American camp pitted against a pro-Israeli alliance. Things will get ugly sooner than we expect.

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GITA and Two-state Solution: Netanyahu's Nightmare

By: Sam Vaknin, Brussels Morning

Both the Gaza International Transitional Authority (GITA) and the New York UN plan are clear precursors and pathbreakers to an eventual Palestinian state under the aegis of the Palestinian Authority (PA). GITA even includes a prototypical Arab administration in Gaza, the PEA (Palestinian Executive Authority). Netanyhau's government will sabotage GITA precisely because it is clearly laying the grounds for a two-state solution.

GITA is not without precedent. It has been tried elsewhere. Both Kosovo and Timor-Leste are now sovereign states. Like many other polities, they are rife with corruption and misgovernance. But the temporary administrations there succeeded to create enough of a momentum and lay a sufficient foundation for secessionary statehood, which is what matters most to the Palestinians in the occupied territories.

GITA is time-limited, its jurisdiction well-demarcated, and it will work hand in hand with a nascent Palestinian government, the PEA. GITA is expressly set to help the PA reform itself and take over Gaza within 5 years.

What about Hamas?

Hamas has already announced multiple times that it is exiting the political scene in Gaza. Abbas, the head of the PA, has made a similar proclamation in his speech to the UN this week. He would have never dared to take on Hamas this way had he not secured the consent of the political leadership of Hamas. The problem is that the military wing of Hamas is autonomous and holds the politicians in contempt. It is likely to transmogrify into a guerilla organization Like the IRA or ETA.

GITA is above all, a pivot in Trump's attitude towards Netanyahu and Israel. The MAGA base is rapidly becoming increasingly more anti-Israeli and anti-Semitic. Trump will now turn against Israel and tie its hands when it comes to settlements, the annexation of the West Bank, and the formation of a Palestinian State under the PA. Expect an ostentatious public fallout between the USA and Israel.

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How Wikipedia is Poisoning AI

By: Sam Vaknin, Brussels Morning

**The author was among the first contributors to Nupedia,
Wikipedia's peer-reviewed predecessor, and to Wikipedia.
He spent years, on and off, studying Wikipedia.**

The anonymous user and top-tier "editor" Slp1 is representative of the culture of narcissism (grandiosity, entitlement), bullying, and prideful ignorance that is rampant in the cult or cabal known as Wikipedia.

On her user page, this senior contributor shockingly boasts: ***"I tend to edit articles that take my fancy and have no connection to my professional and academic background. Articles to which I have made major contributions … including some subjects I had no interest in at all until I waded in."***

Her Talk page exposes this pattern of intimidation, power plays, and nauseating hubris. Obsequious editors such as BlockArranger flatter her to her face and snitch on others, all the while disparaging her elsewhere: "I suggest you attempt to not call a spade a spade … she doesn't own the article". This is an explicit reference to a Wikipedia policy that advocates giving in to bullies.

But Slp1 and her minion BlockArranger are the rule, not the exception.

Wikipedia poses such low barriers to entry (anyone can edit any number of its articles) that it has initially attracted masses of teenagers as "contributors" and "editors", not to mention the less savoury flotsam and jetsam of cyber-life. People who are regularly excluded or at least moderated in every other Internet community are welcomed, no questions asked, by this wannabe self-styled "encyclopedia". Most of these wannabes are now gone. Those who remain are hard-core control freaks and their puppets.

There is nothing new about the collaborative model that is Wikipedia. Before the age of Gutenberg, copyists (usually found in monasteries) used to add their notes and comments to the texts they were copying as they went alone, without indicating which is the original and which their own contributions. The Talmud had been crowdsourced from hundreds of luminaries over centuries: its layout resembles the world wide web with text "hyperlinks" to boot.

The Oxford English Dictionary (OED), first published in 1928, was the outcome of seventy years of combined efforts of 2,000 zealous and industrious volunteers. The difference between Wikipedia and the OED, though, is that the latter appointed editors to oversee and tutor these teeming hordes of wannabe scholars.

The concept of "mob wisdom" or "crowd sourcing" is equally dated. Ancient Greek and Egyptian luminaries, from Eratosthenes to Ptolemy, relied on eyewitness accounts of travellers to compose their enduring (albeit utterly erroneous) masterpieces. The distinction

between layman and expert is a modern invention, an aberration in historical terms. Even so, every scholarly article and book submitted for publication first goes through peer review: scrutiny by qualified experts who suggest additions and amendments to the material. Once published, authors frequently act on input by academics and the wider public and issue errata, revisions, and new editions to reflect this newly-gained knowledge.

"Before today's internet, the primary way to preserve something for the ages was to consign it to writing—first on stone, then parchment, then papyrus, then 20-pound acid-free paper, then a tape drive, floppy disk, or hard-drive platter—and store the result in a temple or library: a building designed to guard it against rot, theft, war, and natural disaster. This approach has facilitated preservation of some material for thousands of years. Ideally, there would be multiple identical copies stored in multiple libraries, so the failure of one storehouse wouldn't extinguish the knowledge within. And in rare instances in which a document was surreptitiously altered, it could be compared against copies elsewhere to detect and correct the change."

("The Internet is Rotting" by Jonathan Zittrain in The Atlantic, June 30, 2021)

Wikipedia differs from traditional "out-sourcing" in that it is indiscriminate: the qualifications, education, experience, and credentials (expertise) of its contributors are frequently ignored, or even derided. Wikipedia is thus subject to the tyranny of the (often narcissistic) user or the community and their weapons: arbitrary editing, malicious smears, impersonation (sock puppetry), and other underhanded tactics. It is a meritocracy of passive-aggressiveness.

Wikipedia has 50,000,000 registered users, but only 1000-1500 active editors, most of whom are busy with trivial pursuits such as punctuation and engaged in sempiternal edit wars. Many of them are paid shills. Wikipedia is not an exercise at crowdsourcing: it is a cabal, a narcissistic cult, replete with arcane lingo, rigid hierarchies, and aggressively exclusionary behaviors.

Six cardinal (and, in the long-term, deadly) sins plague Wikipedia. What unites and underlies all its deficiencies is simple: Wikipedia dissembles about what it is and how it operates. It is a self-righteous confabulation and its success in deceiving the many attests not only to the gullibility of the vast majority of Netizens but to the PR savvy of its sleek and slick operators.

Wikipedia is the true pioneer of misinformation and confirmation bias online. Regrettably, Wikipedia's flawed content is now feeding into AI LLMs and chatbots, poisoning the entire digital universe.

1. Wikipedia is opaque and encourages recklessness

The overwhelming majority of contributors to and editors of the Wikipedia remain anonymous or pseudonymous throughout the process. Anyone can register and members' screen-names (handles) mean nothing and lead nowhere. Thus, no one is forced to take responsibility for what he or she adds to the "encyclopedia" or subtracts from it.

This amounts to an impenetrable smokescreen: identities can rarely be established and evading the legal consequences of one's actions or omissions is easy. As the exposure of the confabulated professional biography of Wikipedia Arbitrator Essjay in March 2007

demonstrates, some prominent editors and senior administrators probably claim fake credentials as well. Possibly, most of them.

A software tool developed and posted online in mid-2007, the Wikiscanner, unearthed tens of thousands of self-interested edits by "contributors" as diverse as the CIA, the Canadian government, and Disney. This followed in the wake of a spate of scandals involving biased and tainted edits by political staffers and pranksters.

Wikipedia is fully censored and retroactively faked. Everything in the Wikipedia can be and frequently is edited, re-written and erased and this includes the talk pages and even, to my utter amazement, in some cases, the history pages!

In other words, one cannot gain an impartial view of the editorial process by sifting through the talk and history pages of articles (most of which are typically monopolized by fiercely territorial "editors"). History, not unlike in certain authoritarian regimes, is being constantly re-jigged on Wikipedia!

2. Wikipedia is anarchic, not democratic

Wikipedia is not an experiment in online democracy, but a form of pernicious anarchy. It espouses two misconceptions: (a) That chaos can and does lead to the generation of artifacts with lasting value and (b) That knowledge is an emergent, mass phenomenon. But Wikipedia is not conducive to the unfettered exchange of information and opinion that is a prerequisite to both (a) and (b). It is a war zone where many fear to tread, monopolized by the most aggressive and possessive. Wikipedia is, therefoe, a negative filter (see the next point).

3. The Might is Right Editorial Principle, No Gatekeeping or Curating

Lacking quality control by design, Wikipedia rewards quantity. The more one posts and interacts with others, the higher one's status, both informal and official. In the Wikipedia planet, authority is a function of the number of edits, no matter how frivolous. The more aggressive (even violent) a member is; the more prone to flame, bully, and harass; the more inclined to form coalitions with like-minded trolls; the less of a life he or she has outside Wikipedia, the more they are likely to end up being administrators, arbitrators, and top editors.

The result is erratic editing. Many entries are completely re-written (not to say vandalized) with the arrival of new kids on the Wikipedia block and then ferociously reverted by territorial or vindictive editors such as the aforementioned Slp1.

Contrary to advertently-fostered impressions, Wikipedia is not a cumulative process. Its text goes through dizzyingly rapid and oft-repeated cycles of destruction and the initial contributions are at times far deeper and more comprehensive than later, "edited", editions of same.

Wikipedia is misrepresented as an open-source endeavor. Nothing can be further from the truth. Open-source efforts, such as Linux, involve a group of last-instance decision-makers (gatekeepers or curators) that coordinate, vet, and cull the flow of suggestions, improvements, criticism, and offers from the public. Open-source communities are not stochastic and personalized.

Moreover, it is far easier to evaluate the quality of a given snippet of software code than it is to judge the truth-content of an edit to an article, especially if it deals with "soft" and "fuzzy" topics, which involve the weighing of opinions and the well-informed exercise of value judgments.

4. Wikipedia is against real knowledge

Wikipedia is a cult with cult leaders and arcane, obscure, deliberately obfuscating language and procedures, far more cumbersome than any university, research lab protocols, or peer-reviewed journal. Wikipedia has become an exclusionary and xenophobic in-group.

Wikipedia's ethos is malignantly anti-elitist. Experts are scorned and rebuffed, attacked, and abused with official sanction and blessing. Since everyone is assumed to be equally qualified to edit and contribute (malignant egalitarianism), no one is entitled to a privileged position by virtue of scholarship, academic credentials, or even life experience. Wikipedia is a tertiary source and therefore of zero academic value.

Wikipedia is the epitome and the reification of an ominous trend: Internet surfing came to replace research, online eclecticism supplanted scholarship, and trivia passes for erudition. Everyone's an instant scholar. If you know how to use a search engine, you are an authority.

Wikipdians boast that the articles in their "encyclopedia" are replete with citations and references. But citations from which sources and references to which works and authors? Absent the relevant credentials and education, how can an editor tell the difference between information and disinformation, quacks and authorities, fact and hearsay, truth and confabulation?

Knowledge is not comprised of lists of facts, "facts", factoids, and rumors, the bread and butter of the Wikipedia. Real facts have to be verified, classified, and arranged within a historical and cultural context. Wikipedia articles read like laundry lists of information gleaned from secondary sources and invariably lack context and deep, true understanding of their subject matter.

Can Teenagers write an Encyclopedia?

The vast majority of Wikipedia contributors and editors are under the age of 25. Many of the administrators (senior editors) are in their teens. This has been established by a survey conducted in 2003 and in various recent interviews with Jimmy Wales, the co-founder of the enterprise.

The truth is that teenagers cannot do the referencing and research that are the prerequisite to serious scholarship - unless you stretch these words to an absurd limit. Research is not about hoarding facts. It is about identifying and applying context and about possessing a synoptic view of ostensibly unrelated data.

Moreover, teenagers can't tell hype from fact and fad from fixture. They lack the perspectives that life and learning -structured, frontal, hierarchical learning - bring with them.

Knowledge is not another democratic institution. It is hierarchical for good reason and the hierarchy is built on merit and the merit is founded on learning.

It is not surprising that the Wikipedia emerged in the USA whose "culture" consists of truncated attention spans, snippets and soundbites, shortcuts and cliff notes. The Wikipedia is a pernicious counter-cultural phenomenon. It does not elevate or celebrate knowledge. The Wikipedia degrades knowledge by commoditizing it and by removing the filters, the gatekeepers, and the barriers to entry that have proven so essential hitherto.

Recently, on a discussion list dedicated to books with a largely academic membership, I pointed out an error in one of the Wikipedia's articles. The responses I received were chilling. One member told me that he uses the Wikipedia to get a rough idea about topics that are not worth the time needed to visit the library. Whether the rough ideas he was provided with courtesy the Wikipedia were correct or counterfactual seemed not to matter to him. Others expressed a mystical belief in the veracity of "knowledge" assembled by the masses of anonymous contributors to the Wikipedia. Everyone professed to prefer the content proffered by the Wikipedia to the information afforded by the Britannica Encyclopedia or by established experts!

Two members attempted to disproved my assertion (regarding the error in Wikipedia) by pointing to a haphazard selection of links to a variety of Internet sources. Not one of them referred to a reputable authority on the subject, yet, based largely on Wikipedia and a sporadic trip in cyberspace, they felt sufficiently confident to challenge my observation (which is supported by virtually all the leading luminaries in the field).

These gut reactions mirror Wikipedia's "editorial" process. To the best of my knowledge, none of my respondents was qualified to comment. None of them holds a relevant academic degree. Neither do I. But I strove to stand on the shoulders of giants when I spotted the error while my respondents explicitly and proudly refused to do so as a matter of principle!

This may reflect the difference in academic traditions between the United States and the rest of the world. Members of individualistic, self-reliant and narcissistic societies inevitably rebel against authority and tend to believe in their own omnipotence and omniscience. Conversely, the denizens of more collectivist and consensus-seeking cultures, are less sanguine and grandiose and more willing to accept teachings ex-cathedra. So said Theodore Millon, a great scholar and an undisputed authority on personality disorders.

5. Wikipedia is not an encyclopedia

Truth in advertising is not Wikipedia's strong suit. It presents itself, egregiously, as an encyclopedia. Yet, at best it is a community of users who exchange eclectic "information" on a regular and semi-structured basis. This deliberate misrepresentation snags most occasional visitors who are not acquainted with the obscure ways of Wikipedia and trust it implicitly and explicitly to deliver facts and well-founded opinions.

There is a lot Wikipedia can do to dispel such dangerous misconceptions (for instance, it could post disclaimers on all its articles and not only on a few selected pages). That it chooses to propagate the deception is telling and renders it the equivalent of an intellectual scam, a colossal act of con-artistry.

Wikipedia thus retards genuine learning by serving as the path of least resistance and as a substitute to the real thing: edited, peer-reviewed works of reference. High school and

university students now make Wikipedia and AI fed by it not only their first but their exclusive "research" destination.

Moreover, Wikipedia's content is often reproduced on thousands of other Website ***WITHOUT*** any of its disclaimers and without attribution or identification of the source. The other day I visited a website and clicked on its "free encyclopedia". It is a mirror of Wikipedia, but without anything to indicate that it is not a true, authoritative, peer-reviewed encyclopedia. The origin of the articles - Wikipedia - was not indicated anywhere.

It could have been different.

Consider, for instance the online and free Stanford Encyclopedia of Philosophy. Each entry is written by an expert but is frequently revised based on input from members of the public. It combines the best elements of the Wikipedia (feedback-driven evolution) with none of its deficiencies. Even crowdsourced encyclopedias can be authoritative (Scholarpedia and Citizendium, for example).

6. Wikipedia is rife with libel and violations of copyrights

As recent events clearly demonstrate, Wikipedia is a hotbed of slander and libel. It is regularly manipulated by interns, political staffers, public relations consultants, marketing personnel, special interest groups, political parties, business firms, brand managers, and others with an axe to grind. It serves as a platform for settling personal accounts, defaming, distorting the truth, and re-writing history.

Less known is the fact that Wikipedia is potentially and arguably the greatest single repository of copyright infringements. A study conducted in 2006 put the number of completely plagiarized articles at 1% of the total - a whopping 15,000 in all. Books - from the Diagnostic and Statistical Manual, through David Irving's controversial work, down to my own, far humbler, tomes - are regularly ripped off and sizable chunks are posted in various articles, with and without attribution. Wikipedia resembles P2P (peer-to-peer) networks such as the first incarnation of Napster: it allows users to illegally share pirated content using an application (Wiki) and a central Website (the Wikipedia).

Wikipedia does not provide any effective mechanism to redress wrongs, address problems, and remedy libel and copyright infringements. Editing the offending articles is useless as these are often "reverted" (restored) by the offenders themselves.

My personal experience is that correspondence with and complaints to Wikimedia and to Jimmy Wales go unanswered or stonewalled by a variety of minions. Even when (rarely) the offending content is removed from the body of an article it remains available in its history pages.

Wikipedia has been legally shielded from litigation because, hitherto, it enjoyed the same status that Bulletin Boards Services (BBS) and other, free for all, communities (including social media) have. In short: where no editorial oversight is exerted, no legal liability arises to the host even in cases of proven libel and breaches of copyright. Wikimedia, Wikipedia's parent company, even enjoys a tax-free status.

But Wikipedia has been treading a thin line here as well. Anyone who ever tried to contribute to this "encyclopedia" discovered soon enough that it is micromanaged by a cabal of c. 1000 administrators (not to mention Wikimedia's full-time staff, fuelled by millions of US dollars in public donations). These senior editors regularly interfere in the contents of articles. They do so often without any rhyme or reason and on a whim (hence the anarchy) - but edit the articles they do.

This fact and statements by Wales to the effect that Wikipedia is actually regularly edited may provoke victims of abusive Wikipedia into considering class action lawsuits against Wikimedia, Jimmy Wales personally, and their Web hosting company.

Wikipedia is an edited publication. The New-York Times is responsible for anything it publishes in its op-ed section. So does the Encyclopedia Britannica. Radio stations pay fines for airing obscenities in call-in shows. Why treat the Wikipedia any differently? Perhaps, hit in the wallet, it will develop the minimal norms of responsibility and truthfulness that are routinely expected of less presumptuous and more inconspicuous undertakings on the Internet.

Sam Vaknin, Ph.D. is a former economic advisor to governments (Nigeria, Sierra Leone, North Macedonia), served as the editor in chief of “Global Politician” and as a columnist in various print and international media including “Central Europe Review” and United Press International (UPI). He taught psychology and finance in various academic institutions in several countries (http://www.narcissistic-abuse.com/cv.html)

Return

Imperial SCOTUS and Its Narcissistic Vision

By: Sam Vaknin, Brussels Morning

I am not a legal analyst like the inimitable and profound Stephen Vladeck. But the Supreme Court of the United States (SCOTUS) is now a political institution and so, I do feel qualified to make a few observations. I assume that my readers are well-acquainted of and petrified by recent developments.

SCOTUS seems to be predominantly concerned with the restoration of checks and balances in America's body politic.

Over the decades, Congress has created a fourth estate, an independent technocracy with both legislative and executive powers. SCOTUS aims to strip away this independence and place these agencies firmly under the thumb of the President of the United States (POTUS).

The problem is, of course, that doing so without also taking away the legislative and executive prowess of these hitherto autonomous players would render POTUS a dictator in all but name.

But wouldn't it revitalize Congress by forcing it to legislate? The conservative majority in SCOTUS vociferously and disingenuously protest that this is exactly their agenda even as they are stripping Congress of its power of the purse and handing it over to a triumphant POTUS.

Congress has been dead in the water for decades now. The SCOTUS justices seem to have accepted this ineluctable and irreversible reality even as they pretend otherwise.

The conservative majority in SCOTUS all claim to be originalists and textualists. As their unconstitutional decision to grant POTUS immunity for all official acts and presumed immunity for unofficial ones demonstrates, this is only a fig leaf. Regardless of the merits of the decision (and it has merits, if POTUS is, indeed, the one-man or one-woman personification of the executive branch), it was not based on any original text or its interpretation.

Rather, narcissistically, SCOTUS see an opportunity here to team up with a "unitary executive" and share with him (or her) absolute power. To that aim, they are also crippling the rest of the judiciary in a variety of ways, making sure that SCOTUS is only game in Lawtown.

The alternative is to push back against illegal and unconstitutional power grabs by the Executive and be defied, thus exposing the irrelevance and impotence of SCOTUS, devoid as it is of either the power of the purse or the use of the sword.

Aren't the conservative Justices concerned about the future of democracy in the USA? Of course they are! They want to make sure that Democrats will never again attain national power. They share the worldview of the Republicans (and especially of the MAGA base) by regarding the Democratic party and the liberal-progressive agenda as detrimental to the future

and the cohesion of the country, a clear and present danger, the Enemy that breached the communal gates.

So, by now, the vision and the agenda are clear:

A one-party polity (the one party being the Republicans) with a power sharing agreement between an autocratic POTUS and a self-indulgent, self-congratulatory SCOTUS.

If at any point in time Congress revives, it would be welcome to join the fray in a legislative capacity, having first ascertained that it would be forever controlled by the Republican Party and its values and beliefs.

This is very reminiscent of China or Russia with one tweak: an active, potent supreme court.

Of course, the Justices are deluding themselves. Sooner or later an imperial POTUS would shunt them aside and render them obsolete, perhaps by tampering with the court or by packing it with loyalists (see Erdogan and Orban).

The USA is inexorably headed to a dictatorship which would last decades if not longer and SCOTUS have made and are still making it happen.

Sam Vaknin, Ph.D. is a former economic advisor to governments (Nigeria, Sierra Leone, North Macedonia), served as the editor in chief of “Global Politician” and as a columnist in various print and international media including “Central Europe Review” and United Press International (UPI). He taught psychology and finance in various academic institutions in several countries (http://www.narcissistic-abuse.com/cv.html)

Return

Board Of Peace or State of War?

By: Sam Vaknin, Brussels Morning

The Board of Peace (initially: Gaza Board of Peace) should not be conflated or confused with the Gaza Executive Board. The Board of Peace is presented as a permanent international parallel or even substitute to the United Nations controlled fully and solely by Donald Trump. It is a part of his ongoing attempt to establish a new world and domestic US order with completely new institutions named after him and "owned" by him and his family.

Israel joined the Board of Peace, but still has abiding and deep reservations concerning the Executive Board for Gaza, especially with regards to the participation of Turkish and Qatari officials. Both Turkey and Qatar have been long-term sponsors of Hamas. With the presence of Russia (Putin himself) and the absence of Saudi Arabia in the Board, it is tilted heavily against Israel.

Israel is now perceived as a hindrance to the eventual reconstruction and economic revival of Gaza. While the demilitarization of Hamas may be attempted, it is unlikely to be consummated. The technocratic government will serve as fig leaf to a resurgent Hamas in the territory and an eventual political takeover.

Both Israel and the USA now regard Iran as the major strategic threat. Israel and the IDF are depleted. Only a military cooperation with the USA can guarantee the neutralization of the Iranian threat.

So, Israel will compromise on Gaza. Israel may even accept the Palestinian Authority as the nucleus of a future, truncated Palestinian state. All this to guarantee the involvement of the USA in the resolution of Iran's existential threat to the Jewish state.

Trump is disappointed with the United Nations and regards it – justly – as a dysfunctional institution. The Board of Peace will serve as leverage to coerce the United Nations to conform to Trump's agenda and demands. It is very unlikely to replace the United nations, though. Already several countries have declined to become members of the Peace Board.

Return

Yes Means Yes - Unless It Means No (#MenToo)

By: Sam Vaknin, Brussels Morning

On Tuesday, April 28, 2026, the European Parliament called on the European Union to adopt a consent-based definition of rape. “No means no” needs to be replaced with “yes means yes”.

This conceptual shift is grounded in trauma-informed studies that have conclusively evinced the “freeze response”: people are incapacitated in situations they perceive as threatening. They are unable or too terrorized to asserts their rights and boundaries.

The transition to “yes means yes” is a welcome development. But courts all over the West have been taking it in an unwelcome and shocking direction: even affirmative and enthusiastic consent at the heat of the moment can be retroactively invalidated on multiple grounds, thus denying the consenting party all agency and criminalizing the ensuing proceedings.

A “yes” granted by a sober, enthusiastic partner has been construed by prosecution services and courts across the West as an attempt to please. Or a lack of awareness of the full details of the act. Or a response to imminent trauma or to the resulting bonding (“Stockholm Syndrome”). Or implicit coercion. Or a reflection of a power differential (“imbalance”). Or the psychological “annihilation” and captivity of the “victim” or “survivor” (the French dubious psycho-legal construct of “emprise”). Or being start-struck. Or any of a number of other qualifiers.

If consent is an ever-shifting construct, reversed in hindsight, no consent is possible. People are not mind-readers. Such legal convolutions vitiate any consent granted and criminalize flirting, courting, foreplay, and the sex act itself. All future actions of the “victim” or “survivor”, however exculpatory, are interpreted as a “fawn response” (in itself a controversial idea among scholars).

Of course, such a malleable approach to consent unequivocally granted, opens the door to unscrupulous bad actors who renege on consent proffered or use sex to entrap, thus weaponizing the justice system: liars, blackmailers, political or business adversaries, takedown smear or whisper campaigners, or partners who merely regret their decisions post-facto, sometimes years or decades after the event and with zero corroborating evidence.

The legal scene now resembles witch trials and relies on “spectral evidence” and the judgment of judges or, in some countries, juries as to the credibility of conflicting testimonies in “he said, she said” showdowns. These often devolve into morality plays with all centuries-old evidentiary-procedural rules intended to safeguard the rights of the accused summarily discarded.

The presumption of innocence, sequestration of witnesses, contamination of evidence and witness testimonies, the right to confront one's accuser and cross-examine them (or even know who they are) are all dead letter in cases involving alleged sex offenses. Trials by public opinion and social media have now become the norm. Both judges and juries are not immune to overwhelming peer and social pressures and expectations.

Trauma theory is in its infancy. It is hotly debated. It is infested with charlatans and faddish constructs. Psychology is prone to outlandish crazes as it is: "refrigerator mothers" caused autism in the 1950s, homosexuality was a mental illness in the 1960s, false memories of childhood sexual abuse were "recovered" in the 1990s. Many an innocent suffered as a result of these unfounded speculations.

In the desperate quest to scientify the discipline, scholars in the field have pathologized and helped criminalize numerous human behaviors only to reverse course a few years or decades later. Experimental Psychology is in the throes of an unprecedented replication crisis. Psychology is by all measures a pseudo-science, a self-glorifying branch of literature.

Yet, courts and nation-states have incorporated these trendy and fleeting ideas into international treaties (such as the Istanbul Convention) thus deeply undermining their own judiciaries.

These unsavory developments threaten to undermine the very rule of law and its underpinnings of fairness and due process.

The Crown Prosecution Service (CPS) of the United Kingdom (UK) has recently criminalized "lovebombing": overzealous flirting in the first phase of a relationship. It is now cast as interlude to coercive control, a felony. No rigorous study has ever demonstrated this ineluctable behavioral sequence.

There is no debate that rape and other forms of sexual assault should be penalized with the utmost severity.

But we are criminalizing and stigmatizing sex itself as well as most forms of flirting and courting.

Large swathes of romance and inter-dyadic dynamics are now promulgated as delinquent as is the majority of inter-gender interactions.

We have sterilized lovemaking and rendered it transactional with the novel requirement for "enthusiastic consent". One has to lawyer up in order to have legally safe sex and even then, the consent can be ruled away by some activist judge or other.

The law in many countries is heavily biased in favor of women: shockingly, rape used to be defined in the UK and Switzerland, for example, as the misuse of a penis only! Studies show that men are sexually assaulted at rates similar to women. They are just even more ashamed to report it than women are.

The justice system and “rape shield laws” have all but eradicated due process and the ability to defend oneself – if one is a man that is.

Nine out of ten conceivable and indispensable defense strategies are inadmissible and impermissible in cases involving intimate relationships. This is unprecedented and has no equivalent in any other type of criminal offense.

The laudable idea is to accord women some protection from public shaming and retraumatization. But victims of all crimes feel humiliated and are traumatized. There is no reason whatsoever to single out rape, let alone sexual assault.

Literally every sex act is now construed as sexual assault. More than half of all men (and women) report being wary of each other in the workplace (Pew Center).

Memory is highly unreliable: it degrades and is reframed with time (cf. studies by E. Loftus). Therefore, sexual offenses should be time debarred (there should be a statute of limitations) akin to other forms of bodily harm and assault.

Yet, in some countries in the West, rape is almost equated with murder: a complaint can be filed – and often is – decades after the alleged events have taken place. Witnesses have died or moved away, evidence has all but evaporated. Defense is thus rendered utterly impossible.

The cyclical argument is: only fewer than 10% of sex crimes allegations are false, akin to the rates in other felonies. The proof? The conviction rate in such cases is high. But the conviction rate is high because of the maxim that women who come forward should be automatically and unreservedly trusted to be telling the truth, the whole truth, and nothing but the truth. “Believe all women” and due process and any evidence to the contrary be damned.

Why this unprecedented assumption? Because sex crimes are under-reported (which they, indeed, are): women are unlikely to lie, knowing what is in store for them during the grueling and often humiliating investigation and judicial process ahead.

Yet, the true number of false allegations is probably several multiples of 10%, according to many studies, including surveys involving police officers of both genders.

Women lie about sexual encounters for many reasons. False sexual assault allegations – sometimes in the form of a collusion and coaching involving several accusers - have been levied and weaponized for political purposes (Assange), to take prominent men down (Franken), and as a form of extreme defamation (Trump, Michael Jackson, Fairfax).

Moreover: lying is much more common among certain psychopathological profiles. Women with psychotic disorders and personality disorders (especially borderline, Narcissistic, Antisocial, Paranoid, and Histrionic) are much more prone to mendacity, prevarication, confabulation, Machiavellianism, vengefulness, and outright lying.

Liars should be punished as harshly as the penalties are for the offenses that they allege. Yet, very few of them are even prosecuted for fear of exerting a chilling effect on real victims.

When a woman is found to have lied and ruined a man's life in the process, she stands a mere 0.5% chance of facing charges.

Women are weaponizing these newfound indiscriminate yet discriminatory juridical powers and are often colluding in groups to ruin men's lives. In the wake of the #MeToo movement, celebrities have become the preferred targets – and lucrative settlements are all the rage among their victims, real and alleged.

As it is, enthusiastic consent is an impractical, stultifying constraint: no two individuals maintain the same level of passion for any specific sex act. Good sex involves compromise and the wish to please one another – not selfish gratification. We are reducing sex to mutual masturbation. But when even enthusiastic consent is no safeguard against malicious prosecution, this has a chilling effect on sex itself.

In the case of heterosexual sex, the entire debate feeds off toxic versions of both feminism and masculinity. Misandrist sentiments equate the unraveling of the patriarchy with retribution for millennia of female subjugation. The woke, politically correct ideal is to eliminate gender altogether (unigender and the stalled revolution, cf. Lisa Wade work).

The pendulum has swung precariously too far against men: young men are terrified to approach young women; every signaling behavior, however innocuous, amounts to sexual harassment, according to a UN document; flirting and courting in the real world (IRL) are widely considered creepy and are even criminalized

Women are dissonant. They are caught between the still dominant sexual double standard (hypervigilant virtue) and invulnerability signaling: "I am the helpless victim, but I am also empowered, agentic, unaffected, and untouchable."

Throughout post-modern societies, entitled grandiose victimhood has replaced dignity and reputational social control.

Current laws and their interpretation by the courts incentivize hyperbole or counterfactual reframing in a spiral of ever more fantastic accusations and allegations. Victimhood rules and pays. Virtue signaling translates into social capital and future immunity (an insurance policy).

The rise of diagnosed pathological narcissism and primary psychopathy among women leads to extreme fantasies, emotion dysregulation, acting out, psychotic microepisodes, dissociation, infantilism, and alloplastic defenses (blaming others for the predictable consequences and outcomes of your own regretted choices and decisions, never taking responsibility, never apologizing, never feeling guilty or blameworthy).

We must transition from the nebulous construct of enthusiastic consent towards behavioral or transactional consent (affirmative "yes means yes"). Behaviors before and after the fact provide an indispensable and often indisputable context. Post-facto remorse should not transform the acts performed into unwitting crimes. We should definitely do not apply norms and laws anachronistically and retroactively.

Transactional sex should never be criminalized, regardless of the identities of the willing participants: power asymmetries are inherent in every give and take, sexual or not. Moreover: women have always been the sexual gatekeepers and have been trading sex for favors since the dawn of Mankind.

Additionally, we should define far more narrowly and rigorously criminal offenses such as coercive control.

Finally: the playing field should be levelled. Many women are primary breadwinners, more educated than men, and have been known to be abusive, too – yet there are almost no persecutions of women for such offenses despite these clear power asymmetries.

For example:

Marital rape is criminalized as it should be. But the withholding of sex, affection, and intimacy should also be criminalized: it amounts to mental cruelty and is a manipulative control technique (a form of Machiavellianism).

Women should be prosecuted for harassment (including of the sexual sort), stalking, defamation, coercion, rape, and a host of other offenses currently enforced exclusively against men.

Equal power confers equal responsibility and equal liabilities. Women are having it both ways nowadays. It is time to end this malpractice.

The alternative is a reactionary male backlash against the hard-earned rights of women. We are witnessing the harbingers of this disturbing trend all over the globe, from rescinded abortion rights and trad wives in the USA to Russia and Afghanistan where domestic violence has been decriminalized and access to the public sphere is being denied, respectively.

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About the Author

Sam Vaknin (http://samvak.tripod.com) is the author of Malignant Self-Love: Narcissism Revisited and After the Rain - How the West Lost the East, as well as many other books and ebooks about topics in psychology, relationships, philosophy, economics, and international affairs.

He was the Editor-in-Chief of Global Politician and served as a columnist for Central Europe Review, PopMatters, eBookWeb , and Bellaonline, and as a United Press International (UPI) Senior Business Correspondent. He was the editor of mental health and Central East Europe categories in The Open Directory and Suite101.

Visit Sam's Web site at http://www.narcissistic-abuse.com

Work on Narcissism

Sam Vaknin is the author of Malignant Self Love: Narcissism Revisited, the pioneering work about narcissistic abuse, now in its 10th , DSM-V compatible revision

Sam Vaknin's work is quoted in well over 1000 scholarly publications and in over 3000 books (full list here). His Narcissists, Psychopaths, and Abuse YouTube channel and other channels garnered more than 65 million views and 300,000 subscribers.

His Web site "Malignant Self Love - Narcissism Revisited" was, for many years, an Open Directory Cool Site and is a Psych-UK recommended Site.

Sam Vaknin is a professor of psychology, but he is ***not a mental health practitioner,*** though he is certified in psychological counseling techniques by Brainbench.

Sam Vaknin served as the editor of Mental Health Disorders categories in the Open Directory Project and on Mentalhelp.net. He maintains his own Websites about Narcissistic Personality Disorder (NPD) and about relationships with abusive narcissists and psychopaths here and in HealthyPlace.

You can find his work on many other Web sites: Mental Health Matters, Mental Health Sanctuary, Mental Health Today, Kathi's Mental Health Review and others.

Sam Vaknin wrote a column for Bellaonline on Narcissism and Abusive Relationships and was a frequent contributor to Websites such as Self-growth.com and Bizymoms (as an expert on personality disorders).

Sam Vaknin served as the author of the Personality Disorders topic, Narcissistic Personality Disorder topic, the Verbal and Emotional Abuse topic, and the Spousal Abuse and Domestic Violence topic, all four on Suite101. He is the moderator of the Narcissistic Abuse Study List, the Toxic Relationships Study List, and other mailing lists with a total of c. 20,000 members. He also publishes a bi-weekly Abusive Relationships Newsletter.

THE AUTHOR

Shmuel (Sam) Vaknin

Curriculum Vitae

Born in 1961 in Qiryat-Yam, Israel

Served in the Israeli Defence Force (1979-1982) in training and education units

Full proficiency in Hebrew and in English

Education

1970 to 1978

Completed nine semesters in the Technion – Israel Institute of Technology, Haifa

1982 to 1983

Ph.D. in Physics and Philosophy (dissertation: "Time Asymmetry Revisited") – California Miramar University (formerly: Pacific Western University), California, USA

1982 to 1985

Graduate of numerous courses in Finance Theory and International Trading in the UK and USA.

Certified E-Commerce Concepts Analyst by Brainbench

Certified Financial Analyst by Brainbench

Certified in Psychological Counselling Techniques by Brainbench

Business Experience

1979 to 1983

Commentator in Yedioth Aharonot, Ma'ariv, and Bamakhane. Published sci-fi short fiction in Fantasy 2000.

Founder and co-owner of a chain of computerized information kiosks in Tel-Aviv, Israel.

1982 to 1985

Senior positions with the Nessim D. Gaon Group of Companies in Geneva, Paris and New-York (NOGA and APROFIM SA):

– Chief Analyst of Edible Commodities in the Group's Headquarters

– Manager of the Research and Analysis Division

– Manager of the Data Processing Division

– Project Manager of the Nigerian Computerized Census

– Vice President in charge of RND and Advanced Technologies

– Vice President in charge of Sovereign Debt Financing

1985 to 1986

Represented Canadian Venture Capital Funds in Israel

1986 to 1987

General Manager of IPE Ltd. in London. The firm financed international multi-lateral countertrade and leasing transactions.

1988 to 1990

Co-founder and Director of "Mikbats-Tesuah", a portfolio management firm based in Tel-Aviv.

Activities included large-scale portfolio management, underwriting, forex trading and general financial advisory services.

1990 to Present

Freelance consultant to many of Israel's Blue-Chip firms, mainly on issues related to the capital markets in Israel, Canada, the UK and the USA.

Consultant to foreign RND ventures and to Governments on macro-economic matters.

Freelance journalist in various media in the United States.

1990 to 1995

President of the Israel chapter of the Professors World Peace Academy (PWPA) and (briefly) Israel representative of the "Washington Times".

1993 to 1994

Co-owner and Director of many business enterprises:

– The Omega and Energy Air-conditioning Concern

– AVP Financial Consultants

– Handiman Legal Services – Total annual turnover of the group: 10 million USD.

Co-owner, Director and Finance Manager of COSTI Ltd. – Israel's largest computerized information vendor and developer. Raised funds through a series of private placements locally in the USA, Canada and London.

1993 to 1996

Publisher and Editor of a Capital Markets Newsletter distributed by subscription only to dozens of subscribers countrywide.

Tried and incarcerated for 11 months for his role in an attempted takeover of Israel's Agriculture Bank involving securities fraud.

Managed the Internet and International News Department of an Israeli mass media group, "Ha-Tikshoret and Namer".

Assistant in the Law Faculty in Tel-Aviv University (to Prof. S.G. Shoham)

1996 to 1999

Financial consultant to leading businesses in Macedonia, Russia and the Czech Republic.

Economic commentator in "Nova Makedonija", "Dnevnik", "Makedonija Denes", "Izvestia", "Argumenti i Fakti", "The Middle East Times", "The New Presence", "Central Europe Review", and other periodicals, and in the economic programs on various channels of Macedonian Television.

Chief Lecturer in courses in Macedonia organized by the Agency of Privatization, by the Stock Exchange, and by the Ministry of Trade.

1999 to 2002

Economic Advisor to the Government of the Republic of Macedonia and to the Ministry of Finance.

2001 to 2003

Senior Business Correspondent for United Press International (UPI)

2005 to Present

Associate Editor and columnist, Global Politician

Founding Analyst, The Analyst Network

Contributing Writer, The American Chronicle Media Group

Expert, Self-growth and Bizymoms and contributor to Mental Health Matters

2007 to 2008

Columnist and analyst in "Nova Makedonija", "Fokus", and "Kapital" (Macedonian papers and newsweeklies)

2008 to 2011

Member of the Steering Committee for the Advancement of Healthcare in the Republic of Macedonia

Advisor to the Minister of Health of Macedonia

Seminars and lectures on economic issues in various forums in Macedonia

Contributor to CommentVision

2011 to Present

Editor in Chief of Global Politician and Investment Politics

Columnist in Dnevnik and Publika, Fokus, and Nova Makedonija (Macedonia)

Columnist in InfoPlus and Libertas

Member CFACT Board of Advisors

Contributor to Recovering the Self

Columnist in New York Daily Sun

Columnist in Brussels Morning

Teaches at CIAPS (Center for International and Advanced Professional Studies)

Visting Professor of Psychology and Economics in South East European University (SEEU) (Letters of Appointment 2024-6 1, 2)

2017 to 2022

Visiting Professor of Psychology in Southern Federal University, Rostov-on-Don, Russia

Web and Journalistic Activities

Author of extensive Web sites in:

– Psychology ("Malignant Self-love: Narcissism Revisited") – an Open Directory Cool Site for 8 years

– Philosophy ("Philosophical Musings")

– Economics and Geopolitics ("World in Conflict and Transition")

Owner of the Narcissistic Abuse Study List, the Toxic Relationships List, and the Abusive Relationships Newsletter (more than 8000 members)

Owner of the Economies in Conflict and Transition Study List and the Links and Factoid Study List

Editor of mental health disorders and Central and Eastern Europe categories in various Web directories (Open Directory, Search Europe, Mentalhelp.net)

Editor of the Personality Disorders, Narcissistic Personality Disorder, the Verbal and Emotional Abuse, and the Spousal (Domestic) Abuse and Violence topics on Suite 101 and contributing author on Bellaonline.

Columnist and commentator in "The New Presence", United Press International (UPI), InternetContent, eBookWeb, PopMatters, Global Politician, The Analyst Network, Conservative Voice, The American Chronicle Media Group, eBookNet.org, and "Central Europe Review".

Publications and Awards

"Managing Investment Portfolios in States of Uncertainty", Limon Publishers, Tel-Aviv, 1988

"The Gambling Industry", Limon Publishers, Tel-Aviv, 1990

"Requesting My Loved One: Short Stories", Miskal-Yedioth Aharonot, Tel-Aviv, 1997

"The Suffering of Being Kafka" (electronic book of Hebrew and English Short Fiction), Prague, 1998-2004

"The Macedonian Economy at a Crossroads – On the Way to a Healthier Economy" (dialogues with Nikola Gruevski), Skopje, 1998

"The Exporter's Pocketbook" Ministry of Trade, Republic of Macedonia, Skopje, 1999

"Malignant Self-love: Narcissism Revisited", Narcissus Publications, Prague and Skopje, 1999-2015

The Narcissism, Psychopathy, and Abuse in Relationships Series (electronic books regarding relationships with abusive narcissists and psychopaths), Prague, 1999-2015

"After the Rain – How the West Lost the East", Narcissus Publications in association with Central Europe Review/CEENMI, Prague and Skopje, 2000

Personality Disorders Revisited (electronic book about personality disorders), Prague, 2007

More than 30 e-books about psychology, international affairs, business and economics, philosophy, short fiction, and reference

Winner of numerous awards, among them Israel's Council of Culture and Art Prize for Maiden Prose (1997), The Rotary Club Award for Social Studies (1976), and the Bilateral Relations Studies Award of the American Embassy in Israel (1978).

Hundreds of professional articles in all fields of finance and economics, and numerous articles dealing with geopolitical and political economic issues, published in both print and Web periodicals in many countries.

Many appearances in the electronic and print media on subjects in psychology, philosophy, and the sciences, and concerning economic matters.

Citations via Google Scholar page:

http://scholar.google.com/citations?user=Yj7C8wOP-10J

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My Web Sites:

Economy/Politics:

http://ceeandbalkan.tripod.com/

Psychology:

http://www.narcissistic-abuse.com/

Philosophy:

http://philosophos.tripod.com/

Poetry:

http://samvak.tripod.com/contents.html

Fiction:

http://samvak.tripod.com/sipurim.html

Follow my work on NARCISSISTS and PSYCHOPATHS

As well as commentaries on international affairs and economics

My work in Psychology: Media Kit and Press Room

http://www.narcissistic-abuse.com/mediakit.html

Biography and Resume

http://www.narcissistic-abuse.com/cv.html

Be my friend on **Facebook**:

http://www.facebook.com/samvaknin

https://www.facebook.com/narcissismwithvaknin/ **(personal page)**

Subscribe to my **YouTube** channel (620+ videos about narcissists and psychopaths and abuse in relationships):

http://www.youtube.com/samvaknin

https://www.youtube.com/user/samvaknin/community (Community)

Follow me on **Instagram** and on **Threads**:

https://www.instagram.com/narcissismwithvaknin/ (active)

https://www.instagram.com/vakninsamnarcissist/ (archive)

https://www.threads.net/@narcissismwithvaknin

Read my **Blog**:

http://narcissistpsychopathabuse.blogspot.mk

http://narcissistpsychopathabuse.blogspot.com

Subscribe to my **other YouTube channel** (200+ videos about international affairs, economics, and philosophy):

http://www.youtube.com/vakninmusings

You may also join **Malignant Self-love: Narcissism Revisited on Facebook**:

http://www.facebook.com/pages/Malignant-Self-Love-Narcissism-Revisited/50634038043 or https://www.facebook.com/NarcissusPublications

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http://narcissistpsychopath-abuse.tumblr.com/

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Testimonials and Additional Resources

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https://www.amazon.com/dp/1983208175 (Amazon US)

https://www.amazon.co.uk/dp/1983208175 (Amazon UK)

Participate in discussions about Abusive Relationships:

http://www.runboard.com/bnarcissisticabuserecovery

http://thepsychopath.freeforums.org/

Abusive Relationships Newsletters

http://groups.google.com/group/narcissisticabuse/

https://groups.google.com/g/narcissistic-personality-disorder

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http://www.narcissistic-abuse.com/thebook.html

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